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SAN FRANCISCO
PORT COMMISSION

for 1/4/01
DOCUMENTS DEPT.

JAN - 5 2001

SAN FRANCISCO
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REGULAR MEETING
4:00 P.M., TUESDAY, JANUARY 9, 2001

Please note that the meeting will be held at:
GABBIANO'S RESTAURANT (behind the Ferry Bldg.)
SAN FRANCISCO, CA 94111

AGENDA

01-05-01P02:14 RCVD

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - December 20, 2000 Special Meeting

3. **EXECUTIVE**

   A. Election of Officers

   B. Executive Director's Report
      1) Commendation for Cliff Jarrard on his retirement.
      2) Thank You to Supervisor Bierman for her contributions to the Port of San Francisco.
      3) New Year's Eve Celebration.

4. **OPERATIONS**

   A. Resolution supporting a grant application by Literacy for Environmental Justice in the amount of $1,007,111 for the Commission on the Environment Grants Program to build a Greenhouse/Educational Facility at Heron's Head Park. (Resolution No. 01-02)

5. **ENGINEERING & MAINTENANCE**

   A. Informational Presentation on Wharf J-10 located in Fisherman's Wharf at Fish Alley and Leavenworth Street.

   B. Authorization to execute Seventh Amendment to Professional Services Contract No. SA 3930045, Downtown Ferry Terminal, with ROMA Design Group for additional design, coordination and construction support work for a not-to-exceed sum of $239,292. (Resolution No. 01-03) (Staff report provided to the Commission.)

   C. Authorization to execute a contract modification to Contract No. 2664, "Hyde Street Harbor Landside Improvement," for an additional amount of $275,000. (Resolution No. 01-04) (Staff report provided to the Commission.)

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6. PLANNING & DEVELOPMENT

A. Informational Briefing on the Pier 70 Advisory Group's Recommended Development Goals and Objectives for the Pier 70 Opportunity Area.

B. Authorization to enter into an Exclusive Right to Negotiate for the Rehabilitation and Master Lease of Piers 1½-3-5 for retail and office uses. (Resolution No. 01-05) (Staff report provided to the Commission.)

C. Informational presentation on the proposals submitted in response to the Request for Proposals for the Piers 27-31 Mixed Use Recreation Development Project located on the Embarcadero between Greenwich and Bay Streets.

7. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 45, Shed A
Person Negotiating: Port of San Francisco: Byron Rhett, Director, Planning & Development
*Malrite Group: Dennis Barrie

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations regarding property located at Pier 45, Shed A.

b. Property: Southern Half of Assessor's Block 202, north of Clay Street extension and Justin Hermann Plaza between The Embarcadero and Drumm Street
Person Negotiating: Alec Bash, Waterfront Planner--Special Projects

2 50351 SFPL: ECONO JRS
45 SFPL 04/09/04 89

Under Negotiation: __Price __ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for subsurface portions of Real Estate Department property in the southern half of Assessor's Block 202, north of Clay Street extension and Justin Hermann Plaza between The Embarcadero and Drumm Street

c. Property: South Beach Harbor, Pier 40
Person Negotiating: Port of San Francisco: Theresa Picon, Real Estate Director
*Dolph Rempp Sailing Ship: Dolph Rempp

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations regarding property located at South Beach Harbor.

d. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations with San Francisco Cruise Terminal LLC regarding the Bryant Street Pier Project.

e. Property: Western Pacific Property @ 25th & Illinois
Person Negotiating: Port of San Francisco: Mark Lozovoy, Principal Real Estate Manager
*Municipal Railway: Kerstin Magary

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations regarding the Western Pacific Property @ 25th & Illinois.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

10. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's web site at www.sfport.com.

JANUARY 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
(Please note the location of the meeting)			
January 9	4:00 p.m.	Port Commission	***Gabbiano's Restaurant***
January 23	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
February 13	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
(Please note the location of the meeting)			
February 27	4:00 p.m.	Port Commission	Port Commission Room Pier One

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website
Check out the Port's Website at **www.sfport.com.**

Questions/Contacts

Fisherman's Wharf Waterfront Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Shawna Horde	274-0400

ACCESSIBLE MEETING INFORMATION

The Gabbiano Restaurant is located towards the bay (east) from the Ferry Building. The Gabbiano Restaurant is wheelchair accessible. Elevator access is available to the second floor meeting level. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32, 71 and F-Line streetcar. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Paid valet parking is also available at Gabbiano's Restaurant. Paid parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm).

Assistive listening devices are available for use in the Gabbiano's Restaurant. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
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MEMORANDUM

January 2, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution supporting a grant application by Literacy for Environmental Justice in the amount of $1,007,111 for the Commission on the Environment Grants Program to build a Greenhouse/Educational Facility at Heron's Head Park. (Resolution No. 01-02)

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

The City and County of San Francisco received $13 million from the State legislature to mitigate the impacts of the sale and possible expansion of the power plant in Potrero Hill and the shutdown of the Hunters Point power plant. The City determined that the best way to use these funds would be to distribute them to the Bayview Hunters Point and Potrero Hill communities through a grant program administered by the Commission on the Environment for projects in three priority areas: environmental justice, environmental health, and energy and climate change.

The Port restored and enhanced the wetlands at Pier 98, adjacent to the Hunters Point power plant in 1998 and named it Heron's Head Park. As part of the wetlands restoration project at Heron's Head Park, the Port formed a partnership with Literacy for Environmental Justice (LEJ) to facilitate environmental education and community outreach programs. Since its opening in October 1999, over 400 students have participated in these programs. LEJ is an urban environmental youth empowerment organization established to address the unique ecological and social concerns of Bayview Hunters Point and the surrounding communities.

LEJ in partnership with the Port, the Center for Habitat Restoration at City College and Todd Jersey architecture, plans to submit a proposal to the Commission on the Environment's grant program to build a permanent facility for these programs. The Center for Habitat Restoration also develops curricula and plans on-site trips to Heron's Head Park for students from pre-kindergarten through college. Todd Jersey Architecture is a design firm whose expertise is in designing environmental education centers.

PROJECT DESCRIPTION

The "Living Classroom" will consist of a greenhouse and educational space, which will utilize renewable energy systems and be used for lessons in native plant propagation, ecological education, and as a community meeting space. The building will be a model for energy efficiency and will feature sustainable design systems. This project will provide a living laboratory for visitors to Heron's Head Park to study plant propagation and sustainable energy systems. It will be southeast San Francisco's first environmental education center in an active open space area. The project also has a community education and outreach component, where up to 18 local youth will be employed over a three year period as community organizers and promoters of sustainable development and environmental education. The Living Classroom will also be made available to community groups for public meetings.

PORT'S ROLE

The Port will provide free of charge to LEJ 1,000 square feet at the entrance to Heron's Head Park to build the Living Classroom. As proposed, the Port would also contribute staff resources from the Port's regulatory, permitting, and construction management divisions to assist with project design, management, and obtaining the necessary permits. The Port would also use Port capital funds already appropriated from Heron's Head Park to contract a project manager to oversee the design and construction phases of the facility.

The grant will go directly to LEJ. It will provide for up to $10,000 in reimbursable expenses for inspection fees conducted by Port staff. Once the Living Classroom is built, the Port will be responsible for repairing and maintaining the outside structure of the building. LEJ will be the primary caretakers and users of the facility. LEJ and the Center for Habitat Restoration will share the responsibility for cleanup and minor upkeep of the facility. If LEJ succeeds in obtaining this grant, Port staff, in consultation with the City Attorney, will negotiate a lease agreement with LEJ to further define each party's responsibilities in the partnership. A final lease will be brought back to the Port Commission for its approval.

PROJECT BUDGET

Description	Amount
Design	$48,000
- includes permitting fees, design plan, community outreach, and consultant for renewable energy systems	
Construction	$566,500
-for 1,000 sq. ft. facility	
Community Outreach and Education Project	$282,988
- for Director, Living Classroom Coordinator, Youth Group Coordinator, 6-8 Youth Interns, Greenhouse equipment and supplies	
Administrative Overhead/Fiscal Sponsorship	$134,623
Project Total	**$1,032,111**
In-kind contribution from Port (for permitting fees, construction management services including site inspection)	($25,000)
REQUESTED AMOUNT	**$1,007,111**

Prepared by: Veronica Sanchez, Manager, Governmental Affairs Office

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-02

WHEREAS, The California Legislature appropriated $13 million to the City and County of San Francisco to mitigate the impacts of the power plants in the Potrero Hill and Bayview Hunters Point communities; and

WHEREAS, The San Francisco Commission on the Environment created a grant program to disburse these funds for projects in the priority areas of environmental justice, environmental health and energy and climate change; and

WHEREAS, In 1998 the Port of San Francisco restored the wetlands at Pier 98 adjacent to the Bayview Hunters Point power plant, which is known as Heron's Head Park; and

WHEREAS, The Port formed a relationship with Literacy for Environmental Justice (LEJ) and the Center for Habitat Restoration at City College to facilitate environmental education and community outreach programs at Heron's Head Park; and

WHEREAS, Literacy for Environmental Justice is proposing to construct a Living Classroom, which would be a greenhouse/classroom facility at Heron's Head park in partnership with the Port of San Francisco for the Commission on the Environment's Grant Program;

WHEREAS, This proposal will enable them to have a permanent facility for visitor's to Heron's Head Park to study plant propagation and sustainable energy systems as well as provide the Bayview Hunters Point residents with a community meeting; now, therefore, be it,

RESOLVED, That the San Francisco Port Commission does hereby support the grant application in the amount of $1,007,111 from Literacy for Environmental Justice for the Commission on the Environment Grants Program, and authorizes Port staff to negotiate necessary agreements with LEJ to implement the grant.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of January 9, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Wharf J-10 Located in Fisherman's Wharf at Fish Alley and Leavenworth Street

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED.

Background

In early August, 2000, Port staff observed that the northeast corner of the Wharf J-10 Building at Fish Alley ("Building") was settling and requested an independent engineering consultant, Structus Inc., to perform a site observation of the Building substructure. (A site map showing the location of Wharf J-10 is attached) Structus observed that the structural members of this substructure were severely deteriorated, and concluded that the Building was unsafe to occupy. The Port Commission therefore declared an emergency on August 23, 2000 for this Building, which led to condemnation of the Building and the Port's order to the two leaseholders to vacate the Building. The two existing leaseholders are California Shell Fish Company and F. Alioto Fish Company (also known as Alioto Lazio Fish Company). Both of these businesses have 61-year leases for portions of the Building, with terms that extend until 2036.

The Port assisted the existing leaseholders with their move out of the Building and with the continuation of their business at Fish Alley. In particular, the Port aided Alioto Lazio by moving their storage to another location, relocating their hoist and assisting their contractors to relocate their crab cooker.

This Print Covers Calendar Item No. 5A

Based upon the Port Commission's emergency declaration regarding Wharf J-10, the Port entered into an engineering and architectural services contract with a group of consultants to design a stabilization plan and evaluate the potential future of the facility. This contract provided for two phases of work. Phase I provides for assistance with the design of temporary shoring to stabilize the Building structure. Phase II provides for the evaluation of five conceptual options for the future disposition of the Building. The consulting team is led by Structus Inc., structural engineers, and includes as subconsultants: Arcus, architects and code consultants; Kahn & Associates, seafood processing facility specialists; Transpacific Geotechnical Consultants; and Don Todd Associates, cost estimators. The team includes Architectural Resources Group (ARG), who provided a historical evaluation of this Building under a separate contract.

Phase I Temporary Stabilization

The Phase I Temporary Stabilization design and construction is complete. The emergency stabilization was performed to prevent the Building from collapsing into the bay. The stabilized Building remains unsafe for occupancy, but it should remain standing for up to two years, while appropriate options for disposition for this Building are evaluated. The Building should be demolished or repaired within the next two years to mitigate the unsafe condition and avoid potential collapse.

Phase II Engineering Study

The Phase II Wharf J10 Facility Engineering Study evaluated five different conceptual options for the future use of the Building. (A copy of this Revised Draft Report has been sent to you under separate cover) As a part of this analysis, the study evaluated the current requirements for fish processing facilities. All of the options were considered within the context of the future utility of the Wharf J10 facility for the fishing industry. Three of these options (Options B, C and D) would maintain fishing industry use of this site. Option E reserves the site for future improvement for fishing industry uses. It is noteworthy that Option A, which would replace the substructure and retrofit the existing building, would not meet current seafood processing requirements.

The options presented in the report are summarized in the table below. A Draft Copy of this Engineering Study has been given to the two existing leaseholders of the Building. In addition, this study has also been presented to the Fisherman's Wharf Waterfront Advisory Group.

OPTION	Meets Seafood Processing Requirements	Preliminary Estimated Cost (± 25%)
OPTION A – Replace the substructure and retrofit the existing building	NO	$12 million
OPTION B – Replace the substructure and build a new seafood processing facility consistent with the architectural character of the Fish Alley area	YES	$8.0 million
OPTION C – Replace the substructure and build a new seafood processing facility incorporating additional architectural features of the existing building	YES	$9.0 million
OPTION D1 – Replace with a wood wharf (No Building)	Fish receiving from vessels only	$3.0 million
OPTION D2 – Replace with a concrete wharf and seawall (No Building)	Fish receiving from vessels, but potential for future seafood processing	$4.5 million
OPTION E – Replace with rip-rap covered embankment	NO	$0.75 million

Historical Resources Study

As referenced above, the Port's Planning and Development Division contracted with ARG to conduct an architectural and historical resource evaluation of the Fish Alley Area, which included the Building. This evaluation was undertaken as a part of the Fish Alley Area planning process now being undertaken with the Fisherman's Wharf Waterfront Advisory Group. This assignment involved researching, identifying, and evaluating the architectural and historic resource significance of properties that comprise the study area. Based upon this work, ARG concluded that:

- No resources within the study area qualify individually or collectively as a district for the National Register of Historic Places.

- No resources within the study area qualify individually for the California Register of Historical Resources as their significance is derived from their collective association with the San Francisco fishing industry.

- Three structures within the study area, including the boat building sheds at 2907-2909 and 2911 Jones Street and the Wharf J10 Building, appear to be collectively eligible for the California Register as contributors to a small historic district, which is significant at the local level within the context of the fishing industry in San Francisco.

Financial Analysis

The above summary of the Phase II Engineering Study includes the estimated cost of each of the options for the Building. The following financial analysis prepared by the Port's Real Estate Division shows the relationship of these costs to the corresponding rental values of each option:

Wharf J-10 Options
Ratio of Annual Rent and Cost

			Option			
	A	B	C	D1	D2	E
	New Wharf Retrofit Building	New Wharf, and New Building	New Wharf and New Building	New Wood Wharf	New Concrete Wharf	Rip Rap
Square Feet						
Apron	3,400	9,000	9,000	9,000	9,000	0
Sheds **	21,413	14,646	14,646	0	0	0
Office	0	5,037	5,037	0	0	0
Annual Rent *						
Apron	$8,568	$22,680	$22,680	$22,680	$22,680	$0
Sheds **	136,187	93,149	93,149	0	0	0
Office	0	51,377	51,377	0	0	0
Total Rent	$144,755	$167,206	$167,206	$22,680	$22,680	$0
Cost	$12,000,000	$8,000,000	$9,000,000	$3,000,000	$4,500,000	$750,000
Ratio of Rent to Cost	1%	2%	2%	1%	1%	0%

* Annual Rent based on Commission approved rental parameters:

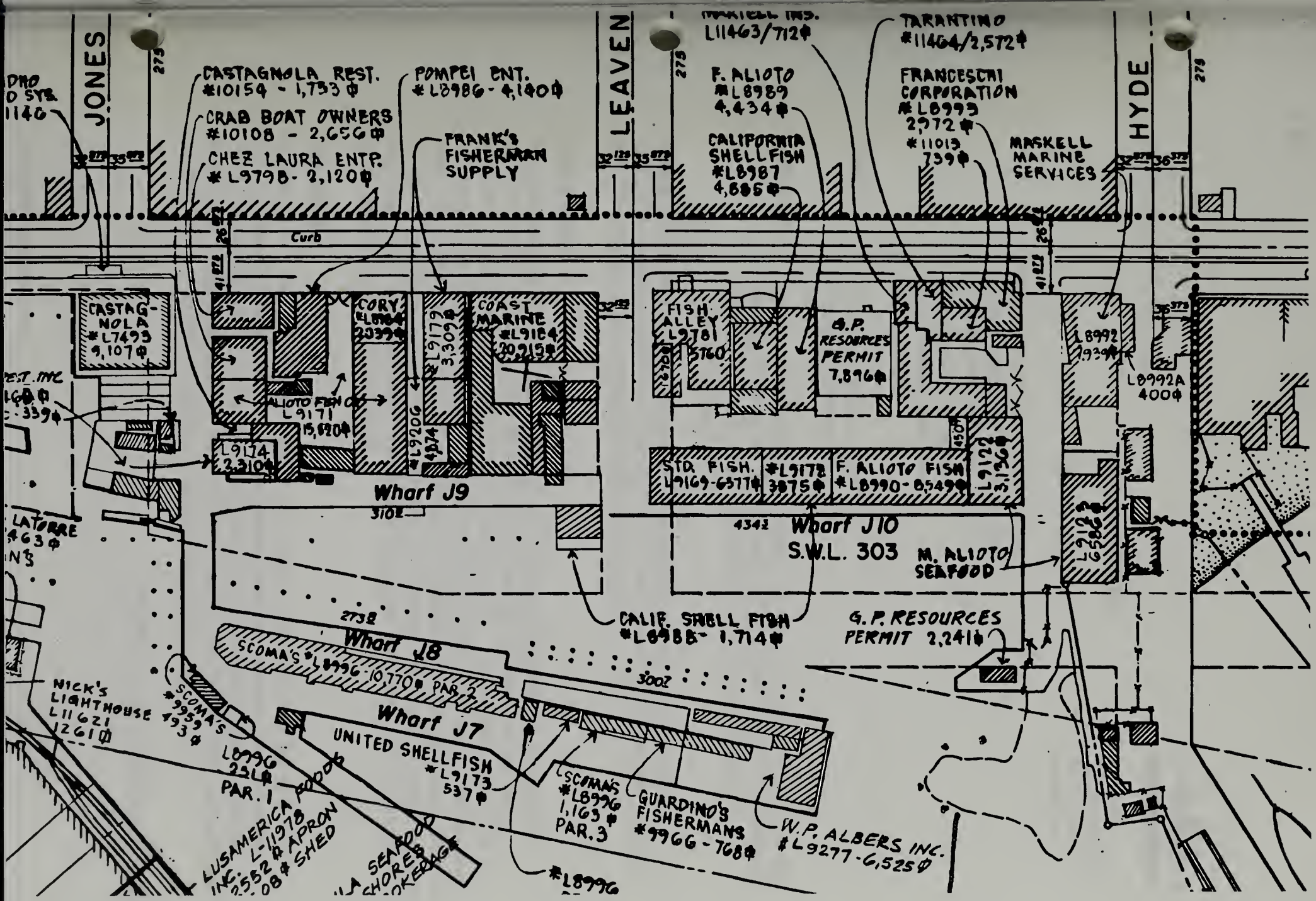
Apron	$2.52
Sheds **	$6.36
Maritime Office	$10.20

** Note: The shed space would be utilized for seafood processing in Options B and C, but the shed space could not be used for seafood processing space in Option A. The annual rental rates indicated for shed space in Options A to C are, nevertheless, the current rental rates for seafood processing space in Pier 45 Sheds B & D because they are within the range of rental rates established in the current rental parameters or general warehouse space on the northern waterfront.

Next Step

The next step is to continue meetings with the existing leaseholders to discuss findings of the Phase II Engineering Study regarding the Building, and the status of their leaseholds in this Building. The results of this Phase II Engineering Study and the Historic Resources Study will also be further reviewed in the future with the Fisherman's Wharf Waterfront Advisory Group. Finally, the five alternative projects described in these options might be subject to environmental review under the California Environmental Quality Act (CEQA). If an environmental impact report (EIR) is required, the standard process will require publication of a draft EIR and a public hearing with an opportunity for the public to comment. After appropriate responses to the comments are prepared, the Planning Commission would review the EIR for adequacy. The Port Commission would then review the final EIR prior to making any determination about the project. This process could occur within approximately a six month period, once all of the relevant information is submitted to the Planning Department

Prepared by: Alexander K. Lee, Director of Facilities and Operations


JONES
LEAVEN
HYDE
CASTAGNOLA REST. #10154 - 1,733 ϕ
CRAB BOAT OWNERS #10108 - 2,656 ϕ
CHEZ LAURA ENTP. #L9798 - 2,120 ϕ
POMPEI ENT. #L8986 - 4,140 ϕ
FRANK'S FISHERMAN SUPPLY
MASKELL INS. L11463/7112 ϕ
F. ALIOTO #L8989 4,434 ϕ
CALIFORNIA SHELLFISH #L8987 4,885 ϕ
TARANTINO #11464/2,572 ϕ
FRANCESCHI CORPORATION #L8993 2,972 ϕ
#11013 739 ϕ
MASKELL MARINE SERVICES
Curb
CASTAGNOLA #L7493 9,107 ϕ
CORY #L8964 2039 ϕ
COAST MARINE #L9184 2021 ϕ
L9179 3,309 ϕ
ALIOTO FISH CO. L9171 15,820 ϕ
L9174 2,310 ϕ
L9206
4934
FISH ALLEY L2781 5760
G.P. RESOURCES PERMIT 7,896 ϕ
L8992 1,939 ϕ
L8992A 400 ϕ
STD. FISH. L9169-6577 ϕ
#L9178 3875 ϕ
F. ALIOTO FISH #L8990-8549 ϕ
L9122 3,136 ϕ
Wharf J9
3102
Wharf J10
S.W.L. 303
4342
M. ALIOTO SEAFOOD
L9122
L9582
CALIF. SHELL FISH #L8988 - 1,714 ϕ
G.P. RESOURCES PERMIT 2,241 ϕ
2732
Wharf J8
SCOMA'S #L8996 - 10770 ϕ PAR. 2
3002
Wharf J7
UNITED SHELLFISH #L9173 537 ϕ
SCOMA'S #L8996 1,163 ϕ PAR. 3
GUARDINO'S FISHERMANS #9966 - 768 ϕ
W.P. ALBERS INC. #L9277 - 6,525 ϕ
NICK'S LIGHTHOUSE L11621 1261 ϕ
SCOMA'S #9959 493 ϕ
L8996 2314 ϕ PAR. 1
LUSAMERICA INC. L-11978 2552 ϕ APRON 708 ϕ SHED
SEAFOOD CHOWDER
#L8996

Site Map

PORT OF SAN FRANCISCO

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MEMORANDUM

January 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for authorization to execute Seventh Amendment to Professional Services Contract No. SA 3930045, DOWNTOWN FERRY TERMINAL, with Roma Design Group for additional design, coordination and construction support work.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO EXECUTE A SEVENTH AMENDMENT TO CONTRACT NO. SA 3930045 WITH ROMA DESIGN GROUP FOR A NOT-TO-EXCEED SUM OF $239,292.

Introduction

Port staff requests that the Commission approve a seventh amendment to the existing professional services contract with Roma Design Group, the architectural engineering consultant for the Downtown Ferry Terminal Project (DFT). This contract amendment is necessary to continue their support during the construction process because of the increased construction time period, coordination with the Ferry Building Renovation Project, and field conditions requiring additional design. Through the contract amendment, Port staff, with the critical support of the Roma Design Group consultant team, can complete the construction of the Downtown Ferry Terminal Project.

Background

In March 1994, the Port selected and contracted with the consultant team led by ROMA Design Group (Consultant) for architectural and engineering services on the Downtown Ferry Terminal Project. As the project progressed, the Port secured additional outside funding and expanded the scope of the project accordingly. Due to the additional funds, and for other reasons, the Roma contract was thereafter amended as follows:

Date	Amendment	Change In Scope	Amount
03/17/94	Original Contract	Pier ½ North Terminal Improvements	$593,255
08/01/94	Amendment 1	Term extension.	$0
11/21/94	Amendment 2	Design – new breakwater, relocation of boiler room	$384,763
08/29/95	Amendment 3	Environmental Studies related to breakwater (compliance w/CEQA & ENPA)	$39,741
02/25/97	Amendment 4	Design – expansion of breakwater and boiler room scope. Addition of ferry plaza. Term extension.	$246,595
06/10/97	Amendment 5	Design – incorporation of historic preservation requirements.	$47,870
06/08/99	Amendment 6	Design and Construction Support and term extension	$395,720
		Total	$1,707,944

To date, the Consultant's total contract amount (including previous amendments) is $1,707,944. Staff has negotiated with the Consultant for a not-to-exceed price of $239,292 to complete the additional tasks contemplated by the contract amendment. With the approval of this contract amendment, the total consulting design project cost will be $1,947,236 representing 12% of the estimated construction cost. As the Consultant contract includes federal funds, the federal Disadvantaged Business Enterprise Program is applicable. With this amendment, the Disadvantaged Business Enterprise (DBE) participation in the consulting contract will be 15% as compared to the original goal of 22%. Port staff reviewed the scope of work for possible increased DBE participation. However, the opportunity for DBE consultant participation is limited because the new scope of work involves mostly construction support and the modification of existing drawings (rather than the development of new drawings) requiring the services of the original design engineer/architect. The Consultant has provided documentation that they are in compliance with all applicable HRC ordinances and the Minimum Compensation Ordinance.

The amendment costs can be fully funded using a combination of existing state grant and Port capital monies.

Scope of Proposed Consultant Contract Amendment

The construction contract is currently underway with an anticipated opening date of March 2001 for the new terminals. There are several items that have occurred to date or are anticipated that result in this need for additional services of the Consultant:

- Breakwater: Early during the project construction, the Port was able to add the scope of the breakwater construction to the contract as an alternate item. Subsequently, the contractor, working closely with staff and the Consultant, proposed a value analysis that

will reduce costs by an estimated $500,000. Consultant services were needed to provide analysis of the contractor's proposal and modification of the design drawings.

- East Promenade: The east promenade area is to be renovated, widened and extended to connect with the Ferry Plaza. The work is a joint obligation of the Port and the Ferry Building developer. On December 20, 2000 the Commission authorized a contract modification to the existing construction contract to add the pile and deck scope of work. The Consultant is the designer for the finishes of the entire promenade area and will thus need to provide design coordination as well as support during the construction. The completion of the pile and deck portion of the east promenade work is anticipated by July 2001. The completion of the architectural finishes is anticipated in 2002.
- Marginal Wharf: During the course of the project design, staff encountered a problem of matching existing grades at the west end of the north promenade. The Consultant proposed a creative solution: a small raised seating and viewing area on the marginal wharf between the north promenade and Pier ½. While the work will add to the cost of the construction contract, it is an innovative and elegant solution that greatly enhances public access in the area. The services of the Consultant are needed to complete the design, incorporate the architectural finishes scope into the existing construction drawings and to provide construction support.
- Signage: The need for improved signage coordination between the Downtown Ferry Terminal Project, the Mid-Embarcadero Project and the Ferry Building Renovation was recently defined. A system of map and schedule kiosks is being considered at key locations to direct the flow of pedestrian traffic and ferry riders. The general appearance of these kiosks is being coordinated with the City's overall signage program as well. The designer of these informative maps will be the same for both the Port's and the City's signage program and will use much of the same graphics. In this manner, the result will be a seamless signage system and with a cost savings to the Port. This signage scope of work would result in the addition of the Map Designer to the existing Consultant team. The services of the Consultant are needed to provide the coordination of the map design and sign placement as well as modification of current design drawings to provide adequate construction detail.
- Float and Gangway Design-Build: Staff and the Contractor have determined that increased participation by the Consultant during the design/build process of the north and south terminal floats will be beneficial to the project. The level of participation is above and beyond that originally anticipated and therefore requires additional services from the Consultant. The Contractor has agreed to share in the costs for these additional services by the Consultant.

Summary:

Port staff recommends that the Commission authorize the proposed seventh amendment to the existing contract with Roma Design Group for the above stated design and construction support related reasons on this time-critical project. This will enable the Port to complete the Downtown Ferry Terminal construction project with the full support of the responsible designers.

Prepared by: Nita Mizushima, Project Manager
For: Cliff Jarrard, Chief Harbor Engineer

PORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-03

WHEREAS, In March 1994, with Port Commission authorization , Port Staff contracted with Roma Design Group consultant team ("Consultant") for architectural and engineering design services for the Downtown Ferry Terminal Project; and

WHEREAS, In January 2000, the construction of the Downtown Ferry Terminal commenced and since that time, Port staff has identified the need for further construction support services from the Consultant; and

WHEREAS, Due to the additional length of the construction project and additional scope of work as described in the memorandum presented with this resolution, Port Staff requires additional design, coordination and construction support services for project completion; and

WHEREAS, Port Staff has met with the consultant and negotiated a not-to-exceed price of $239,292 to complete the additional tasks required by the design, coordination and construction support; and

WHEREAS, The additional architectural and engineering services which are the subject of the proposed contract amendment are needed for the timely completion of the Downtown Ferry Terminal Project; and

WHEREAS, The seventh amendment to the Roma Design Group Contract will be fully funded with existing state grants and Port capital monies; now therefore, be it

RESOLVED, That the Port Commission authorizes staff to execute a contract amendment to execute the Seventh Amendment to Contract No. SA 3930045 with Roma Design Group for the not-to-exceed sum of $239,292.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 9, 2001.

_____

Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

January 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to execute a contract modification to Contract No. 2664, "Hyde Street Harbor Landside Improvement" for an additional amount of $275,000.

DIRECTOR'S RECOMMENDATION: AUTHORIZE PORT STAFF TO EXECUTE A CONTRACT MODIFICATION TO CONTRACT No. 2664, "HYDE STREET HARBOR LANDSIDE IMPROVEMENT," IN AN AMOUNT NOT TO EXCEED $275,000.

Background:
This project was previously a component of a combined landside and waterside project, for which Port staff received construction bids in excess of budget, resulting in the rejection of all bids in July 1999. The project was subsequently divided into two separate projects and re-designed to achieve cost savings. On November 17, 1999, the Commission authorized staff to re-advertise for competitive bidding of the construction of this project, known as the Hyde Street Harbor Landside Improvements Project. On March 14, 2000, the San Francisco Port Commission authorized award of Contract No. 2664, "Hyde Street Harbor Landside Improvement," to the lowest responsive responsible bidder, Proven Management Inc. for a total contract amount of $2,310,571.00. The Port's Notice to Proceed was issued to Proven Management Inc. on May 8, 2000 and work is currently underway.

Explanation:
As a result of outstanding environmental issues related to the fuel dock and bilge water treatment system, different site conditions, and the emergency status of Wharf J-10, this contract modification must be issued to increase the scope of work for this project. This additional environmental work is required by rules and regulations of the Department of Public Health and the Public Utilities Commission for the Port to obtain the necessary permit for operation. Also, this additional work is necessary to make harbor facility functional for Maintenance and Operations and to reduce the health and safety risk factors to

the lowest feasible level. This contract modification will accomplish these objectives through the following:

1) Provide an explosion proof pump at fuel ejection pit at fuel dock area
2) Add secondary containment to the fuel ejection line
3) Add secondary containment to the waste oil line
4) Extend the new diesel line
5) Install inspection manholes for annual inspection and/ or maintenance purposes
6) Add monitoring sumps for leak detection
7) Remove the existing fuel line
8) Replace all the deteriorated 4" X decking of the fuel dock
9) Replace all the deteriorated structural members of the Jefferson building
10) Replace all the deteriorated 4" X decking and 4" X joists of the existing wood pier
11) Repair the existing deteriorated foundation wall located along north side of Jefferson building
12) Replace the existing 4" rusty and broken sewer line
13) Add a shoring wall at the north side of existing blue shed building
14) Remove and dispose of contaminated soil
15) Extend Water and Fire lines as required by the San Francisco Water Department
16) Fund extra mechanical, electrical and structural engineering work caused by Wharf J-10, the condemned structure located at the east side of Hyde Street Alley
17) Provide miscellaneous site improvements

The cost estimate for the additional work is $275,000, which includes a 10% contingency. The total contract price, including the proposed modification will be as follows:

Contract award:	$2,310,571
This contract modification:	275,000
Total amount:	$2, 585,571

This modification would add about 12% to the existing contract price. The work would be funded with a combination of unexpended funds from the Hyde Street Harbor Waterside Project and Port Capital Funds.

Proven Management Inc. is a certified MBE and LBE contractor, and has exceeded the HRC subcontracting goals of 15% for MBEs and 6% for WBEs and will continue to do so in the performance of the new work.

Therefore, Port staff seeks Commission approval to execute a contract modification with Proven Management Inc. to complete this necessary additional work by end of February 2001.

Prepared by: Mojgan Yousefkhan
Project Manager
For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **01-04**

WHEREAS, On November 17, 1999, the Commission authorized staff to advertise for bidding of Contract No. 2664, for construction of the "Hyde Street Harbor Landside Improvements Project;" and

WHEREAS, On February 17, 2000, the Port received five bids, and staff reviewed the bid documents and determined that the lowest responsive, responsible bidder was Proven Management Inc.; and

WHEREAS, The Human Rights Commission (HRC) staff reviewed the bids and confirmed that Proven Management Inc. is a certified Minority Business Enterprise (MBE) and has met the subcontracting goals of 15% for MBEs and 6% for WBEs; and

WHEREAS, The San Francisco Port Commission authorized the award of Contract No. 2664, "Hyde Street Harbor Landside Improvements Project," to Proven Management Inc., for $2,100,519 plus a 10% construction contingency, for a total contract amount of $2,310,571, and the Notice to Proceed was issued on May 8, 2000; and

WHEREAS, This contract modification is required to resolve environmental concerns and perform extra work caused by differing site conditions and the condemned structure of Wharf J-10. As a result of this Contract Modification, the Port will benefit from a substantial cost savings, and achieve a maintainable, safe and functional facility in compliance with all applicable Codes and Regulations; and

WHEREAS, Port staff has negotiated a not-to-exceed price of $275,000 to obtain the necessary work from the contractor; now therefore be it

RESOLVED, That the San Francisco Port Commission authorizes staff to execute a contract modification to the existing construction Contract No. 2664, " Hyde Street Harbor Landside Improvement " with Proven Management Inc. in an amount not to exceed $275,000; and be it further

RESOLVED, That the San Francisco Port Commission authorizes staff to extend the project completion date of the existing construction Contract 2664 with Proven Management Inc. to no later than February 28, 2001, and further authorizes the Executive Director to accept the work upon completion.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 9, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

January 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: **INFORMATIONAL BRIEFING ON THE PIER 70 ADVISORY GROUP'S RECOMMENDED DEVELOPMENT GOALS AND OBJECTIVES FOR THE PIER 70 OPPORTUNITY AREA**

Introduction

On December 20, 2000 the Port Commission requested an informational briefing on the Pier 70 Advisory Group's recommended development Goals and Objectives for the Pier 70 Opportunity Area. This memorandum provides the Commission with these Goals and Objectives.

Background

The Waterfront Land Use Plan (WLUP) identifies an approximately 16-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st Streets (Attachment A – Opportunity Area Map). Several historic buildings are included within this Opportunity Area, including the former Bethlehem Steel Administration Building at the northeast corner of 20th and Illinois Streets and the neighboring Powerhouse Building just to the east. The WLUP allows non-maritime land uses in the Opportunity Area to facilitate the preservation and adaptive reuse of the historic buildings, provided such uses are consistent with the WLUP and do not adversely impact nearby water-dependent uses or associated support services. The WLUP also permits new construction provided that public access improvements are extended to the water's edge, and other criteria are met.

The Pier 70 Mixed Use Opportunity Area is located at the heart of the historic Central Waterfront. The site is bounded by the Central Basin and Sea Wall Lot 345 to the north, Southern Energy's proposed Potrero Power Plant to the south, San Francisco Drydock, Inc.'s ship repair facilities to the east, and Illinois Street to the west. The Site provides excellent views of the Bay Bridge, East Bay, Treasure Island and the downtown skyline.

Site Conditions
The Opportunity Area includes the former work yard and slip north of 20th Street, nearly 1000 feet of open shoreline, as well as several historic buildings. The area also contains numerous maritime industrial artifacts such as the historic Gantry cranes, slips, ramps and small accessory buildings and structures from former shipyard operations.

The two former Union Iron Works buildings along 20th Street include approximately 60,000 square-feet of floor area that could be rehabilitated to support a variety of new uses. In addition, significant new construction could be accommodated between the historic structures and the shoreline to the north and east, and on the large lot at the southeast corner of 20th and Illinois Streets.

Current Uses
Ship materials and scrap metal are currently stored in the former work yard around Slip No. 4. Buildings 40, 101, 102 are vacant. Just north of the former work yard, B & C Iron and Metals, at 701 Illinois Street, recycles metals in Building 49 and the adjacent Quonset Hut. Several buildings on Seawall Lot 345, at 671-679 Illinois Street just north of the site, are leased to JFC International for various maritime uses and to Saint Francis Marine Center for a small boat marina and repair yard. The lot on the southeast corner of 20th and Illinois Streets is being used as a surface parking lot pursuant to a short-term (two-year) lease with a parking lot operator. There are temporary structures and storage containers on the lot.

Acceptable Uses
The WLUP identifies a range of acceptable uses for the Pier 70 Opportunity Area that can be incorporated into the overall development program for the Site. These uses are listed below.

Pier 70 Mixed Use Opportunity Area		
Maritime Uses	**Commercial Uses**	**Other Uses**
Cargo Shipping	Assembly and Entertainment**	Open Space and Public Access*
Historic Ships	General Office	Academic Institutions
Maritime Office	Museums	Community Facilities
Maritime Support Services	Accessory Parking***	General Industry
Recreational Boating and Water Use	Retail (includes Restaurants)**	
Water Taxis	Recreational Enterprises	
	Warehousing/Storage	
	Wholesale Trade/Promotion Center	

Pier 70 Advisory Group
In April 2000, the Pier 70 Advisory Group was formed to provide community input on development goals and objectives in preparation for the issuance of a Request for Proposal/Qualifications for the development of the Pier 70 Opportunity Area. The 25 member Advisory Group, comprised of a broad range of Central and Southern Waterfront, Potrero Hill, Dogpatch and other community representatives, has held 13

meetings since April of 2000. (Attachment B – Pier 70 Advisory Group Membership Roster).

In addition to the expertise each member brought to the Advisory Group, the members also received numerous informational reports and briefings from staff, Port economic, historic preservation and landscape architecture consultants, as well as representatives from City agencies and private commercial and non-profit development interests. The Advisory Group briefings and discussions covered a wide range of issues related to the development of the Opportunity Area, including but not limited to the following topics:

- Site environmental assessment and remediation;
- Historic Preservation (for individual buildings and a larger Pier 70 historic district);
- Development economic feasibility analysis and conceptual site planning and landscape design;
- Transportation (Third Street Light Rail and Mission Bay Turnaround Loop, on- and off-street parking, on- and off-site vehicular access/circulation);
- Off- and on-site development influences (San Francisco Drydock operations, interim leasing of Port property, Potrero Power Plant expansion, live/work developments and the proposed industries analyzed in the Southern Waterfront SEIR); and
- Land Use Regulation (Public Trust responsibilities, Planning Commission Better Neighborhoods 2002 Land Use Study, Proposition M, BCDC requirements for open space and waterfront access).

Early in the Advisory Group process, consensus was reached that the Goals and Objectives should include a recommendation that at least 10 percent of the total square-footage of development in the Opportunity Area should be reserved for non-profit organizations. Subsequently, the Mayor announced that Pier 70 development would include at least 150,000 square-feet of non-profit arts space. Finally, on November 1, 2000, the Port Commission adopted Resolution No. 00-85, directing staff to include at least 150,000 square-feet of non-profit arts space in the Pier 70 Opportunity Area development (Attachment C –Resolution No. 00-85).

The Advisory Group continues to meet on an as needed basis to provide staff with community input on planning issues in the Pier 70 area.

Recommended Project Goals and Objectives

As discussed above, on November 1, 2000 the Port Commission instructed staff to include at least 150,000 square feet of non-profit arts space in the development of Pier 70. In response, the Advisory Group decided to indicate whether they felt the goals and objectives were appropriate for the non-profit arts RFP, the for-profit development RFP, or both. Those goals and objectives identified below with the letter **A** would apply to a

non-profit arts RFP, those identified with the letter **B** would apply to both RFPs, and those identified with the letter **C** would apply only to the for-profit development RFP.

I. PLANNING AND LAND USE OBJECTIVES

General:

B • Meet the Port's development and design guidelines set forth in the Waterfront Land Use Plan and the Waterfront Design and Access Element.

B • Comply with all existing laws to reduce or eliminate untreated storm water runoff into the Bay and to appropriately remediate the toxic and hazardous waste on the Site. Encourage use of reclaimed water to the greatest extent feasible.

B • Ensure that new development is conceived as part of the larger Central Waterfront area, and thus responds to more general city goals and planning efforts, including the City Planning Department's "Better Neighborhoods 2002 – Central Waterfront Neighborhood" planning process. Link Pier 70 visually and physically with the historic Dogpatch Neighborhood, generally bounded by Mariposa St. to the north, 23rd St. to the south, Illinois St. to the east, and Indiana St. to the west.

B • Ensure that the Opportunity Area is developed in a manner that respects the long-term and future uses of the entire Pier 70 area.

A • Efficiently plan development on site, particularly noting existing and planned public transportation improvements and necessary parking. Port reserves the right to reduce square footage of non-profit arts site if not efficiently utilized.

A • Provide public-oriented uses that will attract visitors to the development and the surrounding waterfront.

C • If economically feasible, cap development of new commercial office space north of 20th Street at a maximum of 650,000 square feet and encourage a development density that balances economic goals, the provision of open space and other public benefits, and respect for the character of the surrounding area. Any proposed development should incorporate design and programmatic elements that would mitigate potential negative impacts of increased congestion that may be associated with it.

B • Collaborate with selected [commercial or non-profit arts] project sponsor to ensure a coherent site plan and design for the entire Pier 70 Opportunity Area.

Historic:

C • Permit non-maritime land uses which result in the preservation and adaptive reuse of the Union Iron Works Buildings within the Opportunity Area, consistent with the urban design and historic preservation guidelines called for in the Port's Waterfront Land Use Plan, provided that such uses do not preclude nearby water-dependent activities or associated support services.

C • Preservation and adaptive re-use of the historic Union Iron Works buildings within the Opportunity Area should encourage utilization of the Secretary of Interior's Standards for Rehabilitation, utilization of the federal investment tax credits for historic preservation, and recognition of the larger Pier 70 area as a potential historic district which reflects San Francisco's important industrial and labor history.

B • Consider components to the development that specifically recognize and celebrate the historic importance of the site.

C • Preserve existing significant industrial maritime artifacts, such as the historic cranes, to use as guides for the overall design of the development.

B • Recognize that the property within the Pier 70 Opportunity Area is an integral part of a larger, historic and culturally significant area that reflects San Francisco's waterfront industrial and labor history. Building rehabilitation, site utilization, infrastructure, open space, and recreational development strategies should enhance understanding of the area's significance and preserve historic features.

B • Development within the Opportunity Area should be executed in a manner that respects neighboring uses and acts as a catalyst for the creation of a historic district which recognizes the greater Pier 70 maritime industrial complex.

A • Maintain the full width of the Michigan Street right of way between 20th Street and the southern boundary of the Opportunity Area as either a public roadway or open space to preserve visibility of historic facades on the east side of Michigan Street.

Public Access and Recreation:

C • Include public access improvements extending to the water's edge in the area adjacent to Seawall Lot 345 in any renovation efforts of the Union Iron Works buildings, particularly if such restoration involves additional development on land surrounding the structures.

C • Create new public open space in the form of parks and plazas that relates to the

historic significance of the site, and provides opportunities to experience maritime activities in the area. If financially and environmentally feasible, activate new open space with a variety of uses, such as community gardens and/or a children's playground.

C • Provide public access to San Francisco Bay for non-motorized watercraft. If environmentally feasible, provide suitable amenities to facilitate and enhance these activities such as a boathouse and launching beach that would be a focal point for on-the-water recreational activities and a gathering place for the local clubs and organizations providing such activities. Respondents are encouraged to explore access to public or private resources to support such facilities and to consider means of accommodating such facilities without reducing the project's financial viability.

Land Use/Tenant Mix:

B • Encourage accessory retail activities that provide services to the surrounding community and to area workers, and opportunities for people to better acquaint themselves with maritime industries in the area. Encourage independent, locally owned retailers similar to the existing fish market.

C • Provide space in development for non-profit, arts, training and/or incubator uses; and other such uses that are in need of additional space in the City.

B • Residential uses in the Opportunity Area are not a permitted use in the WLUP. The project should serve as a buffer between the Port's maritime industrial uses to the east and the emerging residential community to the west.

B • Activate and revitalize the Site, establishing a year-round daytime and evening presence.

B • Ensure compatibility with the ship repair operations and the Port's existing and proposed industrial/commercial uses east of the Site.

C • Encourage tenant mix that includes emerging (but stable) industries that will provide stable employment in the future (e.g., technology and life sciences) and job opportunities for City residents, especially those in "targeted employment areas" (defined by the San Francisco Enterprise Zone regulations as those census tracks where over 50% of the population lives in poverty).

A • Explore various development and ownership arrangements such as undeveloped "incubator spaces," condominium spaces, and long-term leases for subtenants to ensure that a variety of groups are served and to maintain the long-term viability of the project.

A • Provide opportunities for dislocated and at-risk non-profit arts groups.

A • Provide arts education and cultural opportunities for residents, especially those in under-served and surrounding neighborhoods.

A • Provide space in project for a variety of non-profit arts tenants to ensure maximum participation, and to retain and enhance arts uses in San Francisco.

Maritime

B • Revenues from the project should be utilized to support the Port's public trust responsibilities including its industrial maritime operations.

C • Allow for a future public ferry/water taxi terminal in the Central Basin.

C • Ensure that large ships continue to have unimpeded access to the shipyard facilities.

Transportation and Parking:

B • Promote the use of public transit as a primary mode of transportation and maximize the efficient use of new and existing parking facilities by taking advantage of the Site's proximity to the planned 3rd Street light rail service and potential ferry and/or water taxi service.

B • Provide parking for new users, taking advantage of the grade change off Illinois Street to encourage parking uses "below-grade."

B • Design access and traffic flow on site in such a way that heavy vehicle movement is separated from pedestrian and bicycle traffic to the greatest feasible extent.

B • Acknowledge increased competition for use of the Illinois Street right-of-way due to loss of two traffic lanes on Third Street, designation of Illinois Street as the route for the Bay Trail, operation of the Third Street light rail line on Illinois Street between 18th and 19th Streets, and new restrictions on truck turning at Third Street.

B • Create convenient access to additional means of transportation beyond automobiles and light rail; such as bicycle lanes, car pooling, shuttle services and ferry service. Encourage tenants to develop incentive plans that encourage their employees and visitors to use these alternative transportation options.

B • Acknowledge existing and future traffic and parking density issues in and around the project site. Encourage thoughtful project traffic planning that accommodates the needs of new users and visitors with existing uses.

II. DESIGN OBJECTIVES

B • Design new uses on the site to ensure compatibility with adjacent ship repair operations.

B • Preserve the working waterfront's authentic maritime character by respecting the work-a-day qualities of the industrial setting.

B • New construction should be in a good compatible, contemporary idiom inspired by the site's unique historic, maritime setting and unique working waterfront setting – not fake historicism.

C • Re-use and preserve existing historically significant buildings and relics, such as cranes, industrial remnants and warehouses to maintain the authenticity of the site and incorporate them into a master plan design.

B • Where not in conflict with historic buildings or maritime activities, extend the City street pattern and acknowledge the terminus of street corridors with views of the Bay, historic buildings or architecture with a waterfront identity.

B • New development should include exterior circulation or pedestrian ways between building massings, and, where feasible, connect inland portions of the site to the Bay.

B • Recognize the established neighborhood scale by limiting building mass to maximum ½ standard block size and building heights to those of existing buildings in the area. Encourage multiple buildings per block and pedestrian access and views from the street to the water.

C • Create public access to the water and the water's edge adjacent to Pier 68 with views of the Pier 70 shipyard and with access from Illinois St., such that it does not interfere with ship repair or related maritime activities.

B • Connect waterfront destinations and open spaces by establishing a walkway along Illinois St. from 22nd St. to the Mission Bay open spaces to the north, and connect Site to other waterfront destinations via water trails, ferries, and/or water taxis.

B • Place new structures primarily at the sidewalk to form an edge to Illinois Street.

New setbacks and sidewalks should mirror those of existing historic buildings.

B • The primary commercial uses and pedestrian entrances for buildings located along 20th Street, Michigan Street, and Illinois Street should face those streets.

B • New development should provide articulation of the street façade at a maximum of 50 foot intervals by varying storefronts, setbacks, breaks in building massings, color or with architectural details such as columns, arches, structures or material changes.

B • Materials, style, detailing of buildings, street furniture and other public improvements should acknowledge the historic and industrial character of the area, and the design should consider elements from the past that tie together elements on the site.

B • Avoid blank ground floor walls by providing views into buildings or active uses wherever feasible.

B • Discourage vehicular access to parking from Illinois Street.

III. FINANCIAL OBJECTIVES

C • Consistent with the Planning and Land Use and Design Objectives, optimize the Port's rental revenue from the Site over the term of the lease consistent with the Port's duty to achieve its public trust objectives to support maritime industries, provide public-oriented activities and open space improvements on the waterfront, and maintain Port facilities.

C • Guarantee a fair market rent, including a minimum monthly base rent, taking into consideration the public benefits being provided as part of the Project. Provide adjustments in the base rent for cost of living increases and/or other participation in future increased revenues.

A • Consistent with the public benefits being provided and with the Planning and Land Use and Design Objectives, optimize the Port's rental revenue from the Site over the term of the lease. Provide adjustments in the base rent for cost of living increases and/or other participation in future increased revenues.

Next Step

Staff is currently studying the applicability of the public trust to various sites within the Pier 70 Opportunity Area. We expect to report back to the Port Commission on our findings in February and then complete draft RFP(s) for Port Commission consideration.

ATTACHMENTS:

A. Resolution No. 00-85
B. Opportunity Area Map
C. Pier 70 Advisory Group Membership Roster

Prepared by Mark Paez, Waterfront Planner

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-85

WHEREAS, The Port's *Waterfront Land Use Plan* designates a 16-acre portion of Pier 70 (the "Opportunity Area"), between 18th and 21st Streets, where future non-maritime uses will be permitted; and

WHEREAS, The Port's *Waterfront Land Use Plan* further designates allowable uses for the Opportunity Area which include assembly and entertainment, general office, industrial, museums, open space, retail, recreational and community facilities, warehousing, academic institutions; as well as additional maritime uses; and

WHEREAS, The Port established, in March 2000, the Pier 70 Advisory Group to provide input on the development goals and objectives for the Opportunity Area prior to issuance of a Request for Proposal(s); and

WHEREAS, The Pier 70 Advisory Group has convened nine meetings to develop recommendations for the development of the Opportunity Area, and have recommended that a portion of the development site be used to assist non-profit, arts uses that are in need of additional space in San Francisco; and

WHEREAS, The Mayor's Office has commissioned a study of non-profit space needs in the City, which found that nearly 1 million square feet of non-profit space could be at risk over the next three years; and

WHEREAS, The Mayor's Office has developed a strategy to help arts, non-profit groups remain in San Francisco, and as part of this strategy, the Mayor's Office is requesting the Port to explore the development of at least 150,000 square feet of non-profit, arts space at the Pier 70 Opportunity Area; and

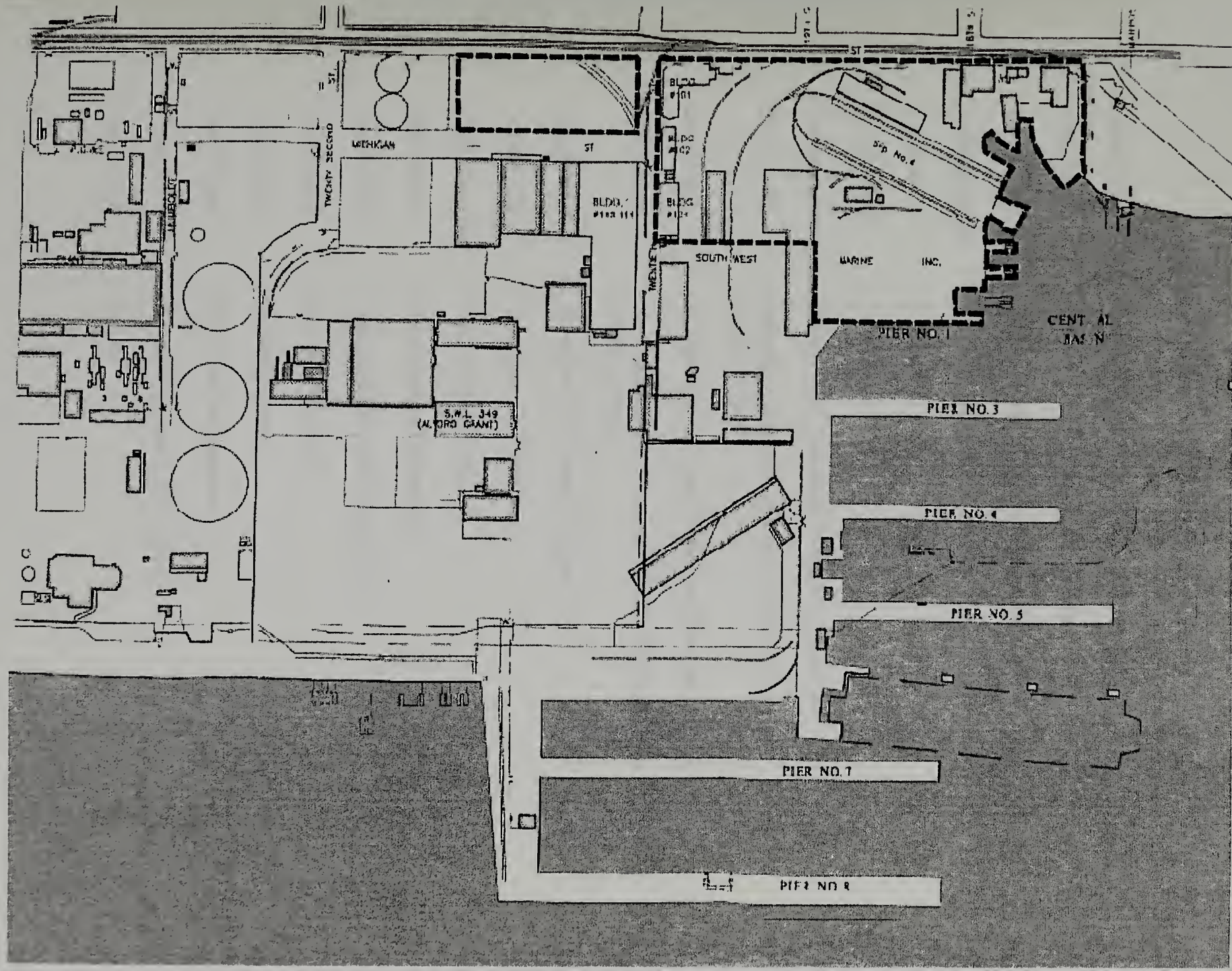
WHEREAS, Port staff are in the process of developing the Request for Proposal(s) for Pier 70 Opportunity Area; now therefore be it

RESOLVED, That the Port Commission directs the Port staff to seek the inclusion of at least 150,000 square feet of non-profit, arts space in the development of the Pier 70 Opportunity Area.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 1, 2000.

_____
Secretary

Pier 70 Opportunity Area



Members of the Pier 70 Advisory Group

John Borg	Potrero Central Waterfront Committee
Meb Gordon	Dogpatch Neighborhood Association
Susan Eslick	Dogpatch Neighborhood Association
Dennis Herrera	Dogpatch Neighborhood Association
Joe Boss	Potrero Hill
Paul Sherrill	Potrero Hill
Corinne Woods	Mission Bay Community Advisory Committee
Toby Levine	Waterfront Plan Advisory Board, former Planning Commissioner
Julia Viera	Friends of Islais Creek, Waterfront Plan Advisory Board
Carl Hanson	San Francisco Drydock, Inc. (SFD), Waterfront Plan Advisory Board
Greg Markelus	American Can Industrial Center
Jennifer Clary	San Francisco Tomorrow
Charles E. Chase	San Francisco Heritage
Mara Brazer	San Francisco Partnership
John Kalaki	Yerba Buena Center for the Arts
Tom Escher	Red & White Fleet
Stan Smith	Building Trades
Paul Nixon	Bay Area Sea Kayakers
Dwayne Jones	Young Community Developers
Steven Vettel	SPUR

Members of the Pier 70 Advisory Group (cont.)

Shelley Bell	Bayview Opera House
Mohammed Nuru	SLUG
Toye Moses	Southeast Community Facilities Commission
John Moran	Sheet Metal Workers

PORT OF SAN FRANCISCO

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MEMORANDUM

January 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to enter into an Exclusive Right to Negotiate for the rehabilitation and master lease of Piers 1½-3-5 for retail and office uses

DIRECTOR'S RECOMMENDATION: APPROVE EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH SAN FRANCISCO WATERFRONT PARTNERS, LLC

This staff report provides information on the three responses to the Piers 1½-3-5 Preservation Project Request For Proposals ("RFP") from the following developers: Embarcadero Waterfront Partners LLC; San Francisco Waterfront Partners LLC; and Watermark Partners LLC. The report includes a recommendation that San Francisco Waterfront Partners LLC be awarded the opportunity to enter into an Exclusive Right to Negotiate agreement with the Port to rehabilitate and lease Piers 1½-3-5.

I. BACKGROUND

The Ferry Building Waterfront area is in the midst of a tremendous transformation. The 1991 removal of the Embarcadero Freeway and the recent completion of The Embarcadero as a landscaped boulevard with its associated Embarcadero Promenade (Herb Caen Way) represent a sea change in the potential for reuniting the City with a waterfront for all its citizens. The Downtown Ferry Terminal, now nearing completion, represents a similar change for how the City receives its visitors from across the Bay.

The historic rehabilitation of Pier 1 begins the transformation of the adjoining piers. Most recently used as a parking garage, the rehabilitation of Pier 1 is being completed by AMB Property Corporation in a public / private partnership with the Port. Both the Port and AMB are relocating their administrative offices to Pier 1. Hornblower Yachts, Inc. ("Hornblower") has a lease with the Port to relocate from Pier 31½ to Piers ½ and 3, bringing its excursion yachting operations to what is now becoming a focal point on the waterfront. Rehabilitation of the Ferry Building itself, planned to commence in early spring, will once again provide a true centerpiece on San Francisco Bay. Restoration of this 1898 icon with its planned Bay marketplace, public spaces, ferry transit patrons and upper-level offices has been described by many as the diamond in the necklace along the waterfront.

The Ferry Building, Pier 1, the Downtown Ferry Terminal, The Embarcadero and Herb Caen Way provide ample public spaces within which San Francisco residents, workers and visitors can enjoy the waterfront and the historic architecture of its buildings. Harry Bridges Plaza, the Ferry Plaza, new promenades along both street and water sides of the Ferry Building and Pier 1, the marketplace within the Ferry Building, and restoration of the "Grand Nave" within the Ferry Building are creating a network of open spaces of grand civic proportions. Purposely on a much smaller scale, Pier 1's entry lobby and the adjoining "Rail Track Corridor" are the first in a planned "Bayside History Walk" network of smaller, more intimate public spaces along the water and within historic waterfront buildings.

There are two additional resources within the Ferry Building Waterfront area for which rehabilitation is not yet underway—the Agriculture Building to the south of the Ferry Building, and the Piers 1½-3-5 complex to the north of Pier 1. The Port chose the latter complex of piers for the next public / private partnership effort due to the severely deteriorated condition of the marginal wharf substructure beneath these historic bulkheads and connector buildings, and the former Sacramento ferry passenger waiting room behind Pier 1½. The Port's Engineering Division has condemned these facilities, which are now being vacated. Enlistment of a private sector partner was considered essential to rehabilitating and preserving these Neo-Classical buildings. The Agriculture Building, in contrast, continues to be fully occupied. Leases have recently been renegotiated and brought to current Port lease terms and market levels. Amtrak is being relocated from the Ferry Building to the Agriculture Building, under provisions of its lease through 2005 with the Port.

Finally, while the Downtown Ferry Terminal is now nearing completion, a future phase is anticipated as part of the new ferry initiatives underway through the State's San Francisco Bay Water Transit Authority. The breakwater now being built south of the Agriculture Building shelters a protected water basin capable of accommodating two additional ferry terminals with two berths each. As Bay Area ferry transit grows over the years, the Ferry Building Waterfront has the potential capacity to accommodate this growth.

II. ISSUANCE OF REQUEST FOR PROPOSALS

Port staff commenced working with the Ferry Building Waterfront Advisory Group in October 1999, seeking their input and guidance in formulating a development concept for Piers 1½-3-5. The Advisory Group completed its work in December 1999, recommending a development concept which Port staff brought before the Port Commission for its consideration and approval.

The Port Commission on February 8, 2000 by Resolution No. 00-07 authorized and directed Port staff to issue the RFP for the development and lease of Piers 1 ½-3-5, incorporating that development concept. On March 10, 2000 the Port issued the RFP to rehabilitate and lease these piers. The deadline for submittals was extended to August 31, 2000 while issues concerning the interface of the Project and the adjacent Hornblower leasehold were resolved.

The Site for the Piers Preservation Project, as revised in Addendum No. 3 of the RFP, is shown on the attached map (Exhibit A). The development opportunity described in the RFP (amended to reflect the revised Site) is as follows:

> "...the Port is seeking a qualified developer to lease from the Port the existing Piers 1½, 3 (portion) and 5 with a site area of about 55,221 square feet. Parcels available for development have about 60,036 gross square feet of existing building area including upper floors, and parcels for public access have about 14,464 square feet. The selected developer will be required to design, construct, and operate the Project..."

The Port's primary goals for this development are stated in the following Mission Statement from the RFP:

> "The goals of this development are to: (1) create an inviting mixed-use Project which will help attract the public to the Bay and enhance their waterfront experience, (2) preserve and rehabilitate the historic waterfront maritime buildings on the Site, and (3) provide rental revenue to the Port to support its public trust mandate.
>
> "The Project will have a quality design that is authentic to the historic maritime character of the Ferry Building Waterfront and the Northeast Waterfront. The Project will be designed to respect this character, to bring new commercial and maritime activity to the Ferry Building Waterfront, and to maximize public access to and enjoyment of the Project's spectacular waterfront setting."

The RFP included the Mission Statement and a Development Concept and Parameters, which included planning objectives, public access objectives, design objectives, financial objectives, and uses (Required, Encouraged, Permitted and Not Permitted). It also included Terms and Conditions of the Offering, described the Regulatory Process and Selection Process, stated the Selection Criteria, and set forth the Submittal Requirements. The Appendices included

background information such as excerpts from the Port's Waterfront Land Use Plan and City's General Plan, documents regarding historic significance, adjoining leases, marginal wharf repair and hazardous materials reports, minutes of the Advisory Group meetings, and other City requirements.

III. DEVELOPER QUALIFICATIONS AND PROPOSALS

Three proposals in response to the RFP were submitted to the Port by the August 31, 2000 deadline for submittals. The respondents who submitted these proposals are listed below in alphabetical order. The development teams for these respondents and their proposals are described in the attached Exhibit B.

- **Embarcadero Waterfront Partners LLC:** Levin Menzies Kelly & Associates, LLC, the development manager.

- **San Francisco Waterfront Partners LLC, joint venture:** Putnam Waterfront Partners, LLC, the managing member; and The Jefferson Company, the development manager, including construction management oversight.

- **Watermark Partners LLC, joint venture:** Fidelity Partners, Inc., the managing member; and ING Realty Partners.

Each respondent made a presentation to the Port Commission at its October 10, 2000 meeting.

IV. SELECTION CRITERIA

The RFP described the Selection Criteria as follows:

> "The Port is seeking a Project that meets all of the Port's Selection Criteria below. The most important criteria in selecting a developer for exclusive negotiations is the Ability, Experience and Past Economic Performance of the respondent as described in paragraph "A" below. All of the remaining Selection Criteria (Paragraphs "B" through "E") are of equal importance and will be considered equally. However, the items within each Selection Criteria may be given unequal consideration."

A. *Ability, Experience and Past Economic Performance*

1. The ability and experience of the developer (including joint venture partners) and the development team in successfully developing and operating facilities similar to the proposed project, based on the following criteria:
   (a) Experience of the developer to successfully develop a project of the type and scale envisioned in this RFP and proposed by the developer.

(b) Experience, qualifications and local presence of the development team, including major consultants, as demonstrated by comparable projects.
(c) Ability of the developer and its development team to implement complex development projects effectively, as demonstrated by comparable projects.
(d) Demonstrated understanding of local market and community issues.
(e) Demonstrated understanding of, and ability to comply with, the regulatory process, as reflected in the development schedule, project concept, and development program for the proposed project.
(f) Understanding and ability of developer and development team to obtain key approvals in a complex regulatory environment, as demonstrated by comparable projects.
(g) Prior success of developer with respect to architectural and urban design quality, and quality of public amenities.
(h) Clear lines of responsibility within the developer's organization on which the Port can rely during negotiations and implementation of the project.
(i) Experience of the developer to operate a project of the type and scale envisioned in this RFP and proposed by the developer.
(j) Prior success of projects developed and/or managed by developer with respect to economic performance.

2. The financial capacity of the developer (including joint venture partners) to successfully undertake the proposed project, based on the following criteria:
   (a) Financial strength of developer.
   (b) Ability of the developer to attract, raise, commit or otherwise access debt and/or equity sufficient to capitalize the proposed project and which does not require the Port to subordinate its lease or rental income to debt.
   (c) Specific evidence of developer's financing resources to undertake and successfully complete the proposed project.

*B. **Development Concept***

1. Achievement of the Planning Objectives set forth in Section IV of the RFP.
2. Achievement of the Public Access Objectives set forth in Section IV of the RFP.
3. Achievement of the Design Objectives as set forth in Section IV of the RFP.
4. Creation of Required and Encouraged Uses, and compliance with use restrictions set forth in Section IV of the RFP.

*C. **Financial Proposal***

1. Achievement of the Financial Objectives set forth in Section IV of the RFP.

2. Lease Proposal

(a) Guaranteed Monthly Base Rent
(b) Percentage Rent, including proposed percentage rental rates
(c) Base Rent adjustments
(d) Percentage rental rate adjustments
(e) Construction Period Rent
(f) Length of term
(g) Port participation in proceeds of sale, transfer or refinancing
(h) Port participation in historic tax credit proceeds
(i) Other proposed financial lease terms
(j) Projected income to the Port

3. Construction and development costs

*D. **Project Feasibility***

1. Evidence of funding availability
2. Project economics as evidenced by cash flow projections
3. Guarantee and funding arrangements to ensure timely completion of the project
4. Project schedule
5. Evidence of concurrence of key subtenants

*E. **Other factors as appropriate***

V. ANALYSIS OF RESPONSES

The Port Commission in Resolution No. 00-75 (September 19, 2000) authorized and directed Port staff to enter into a contract with Keyser Marston Associates, Inc. ("KMA") to assist the Port (1) in evaluating proposals received in response to the RFP, and (2) with negotiating the development agreement and lease. The consultant team and their responsibilities in this review process are as follows:

- **KMA**, team leader and to review economic aspects of the proposals
- **BMS Design Group**, design team leader and to coordinate and review physical and historic preservation aspects
- **Moffatt and Nichol Engineers**, marine engineer to review pier substructure repair proposals
- **Esherick Homsey Dodge & Davis**, architect to review historic rehabilitation elements of proposals
- **Pittman & Hames**, planners to provide office and retail rent comparable survey.

Each member is a respected expert in his/her specialized field. KMA coordinated the team's evaluation of the developer proposals to the Port.

Based on their team analysis of the proposal and supportive material, KMA concluded that the proposal by San Francisco Waterfront Partners was the Port's best opportunity to satisfy its development goals for Piers 1½-3-5, as described in the RFP. Port staff also analyzed the proposals and supporting materials and has reached conclusions similar to KMA, which are outlined below The Project Concept, Development Program and Financial Proposal submitted by the respondents are summarized in Exhibit B.

VI. SELECTION CRITERIA RANKING

Port staff have evaluated and ranked the respondents against the RFP Selection Criteria, taking into account the KMA evaluation of the proposals. San Francisco Waterfront Partners ranked highest, based on Ability, Experience and Past Economic Performance being the most important criterion with the remaining Selection Criteria being of equal importance. Embarcadero Waterfront Partners and Watermark Partners followed, in that order. This is shown in the following chart.

RANKING OF RESPONDENTS			
RFP Selection Criteria	**Embarcadero Waterfront Partners**	**San Francisco Waterfront Partners**	**Watermark Partners**
A. Ability, Experience and Past Economic Performance	2	1	3
B. Development Concept	2	1	3
C. Financial Proposal	1	1	3
D. Project Feasibility	2	1	3
Overall Ranking	**2**	**1**	**3**

(Ranked in descending order of responsiveness to Selection Criteria)

A. Ability, Experience and Past Economic Performance

The selected developer's ability, experience and financial capacity to successfully complete the proposed project is critical, particularly due to the complex nature of this pier rehabilitation

project, including the sensitive waterfront environment setting, the need for historic preservation, and the multi-jurisdictional regulatory approvals required.

San Francisco Waterfront Partners has strong qualifications and experience in urban office and retail projects and in adaptive reuse of historic structures in San Francisco for office use, including the Federal Reserve Building and the Pier 5 Bulkhead Building on the Site. They also clearly demonstrate the financial capacity to undertake the project, and they also have established relationships with various restaurant operators for that important public serving component of the proposal. The development team and the approach to the project demonstrate that this developer has the ability to secure the necessary regulatory approvals and to successfully develop and manage the proposed project.

Embarcadero Waterfront Partners has good local experience in the restoration of historic buildings for office uses, but not with waterfront projects in San Francisco. They clearly demonstrate the financial capacity to undertake the project. The development team has demonstrated that it has the ability to secure the necessary regulatory approvals and successfully develop and manage the proposed project.

Materials submitted by Watermark Partners demonstrate the most limited comparable development experience of the three respondents. This, combined with its approach to the project, raises concerns about the team's ability to secure the necessary regulatory approvals and to successfully develop the proposed project. Further, the developer was unresponsive to the Port's request for financial information, precluding a determination of the developer's financial capacity.

Both Port staff and KMA ranked the San Francisco Waterfront Partners proposal first for this criterion, followed in order by Embarcadero Waterfront Partners, and then by Watermark Partners.

B. Development Concept

The San Francisco Waterfront Partners proposal stood out as best achieving all of the Port's Planning Objectives identified in the RFP, as best achieving the Public Access Objectives, and as meeting and exceeding the Design Objectives. The San Francisco Waterfront Partners proposal also provides more of the Required and Encouraged Uses defined in the RFP. Their proposal creates a suitably civic mix of uses achieving the best synthesis of revenue producing and public-oriented amenities. By creating the opportunity for boat tie-ups and water taxi access, it promotes maritime activities. This proposal provides the strongest and most organized framework for public access. The proposal also takes a careful and sensitive design approach which is responsive to historic preservation. For each major category of the Port's Development Concept Criteria, the San Francisco Waterfront Partners proposal was thus the most responsive. It was clearly the most advanced in its design development and successful in achieving the broad range of Port Development Concept goals.

KMA observed that the proposals of both Embarcadero Waterfront Partners and Watermark Partners were primarily general office projects with a minimal addition of public serving improvements, including only limited Required or Encouraged Uses. Neither proposal maximizes the opportunity to provide a mix of uses that emphasizes the civic importance of the Ferry Building Waterfront, generating waterfront activity and serving San Franciscans and visitors alike. The high quantity of non-public trust office use and limited public access use in the Watermark Partners proposal in particular suggest a higher degree of regulatory risk with the State Lands Commission and BCDC. Port staff reached the same conclusions, based upon their experience and informal consultation with technical staff in other public agencies involved in the regulatory process.

Both Port staff and KMA thus ranked the San Francisco Waterfront Partners proposal first for this criterion, followed in order by the Embarcadero Waterfront Partners proposal and then by the Watermark Partners proposal.

C. Financial Proposal

KMA found that the Embarcadero Waterfront Partners' proposal achieved the basic RFP financial objectives while generally being consistent with Planning, Public Access and Design Objectives. The annual base rent offered is $550,000, adjusted by CPI every 5 years. Percentage rent would equal 20% of gross project income exceeding $3.8 million.

Based upon the developer's projections, rent payments would total $9.5 to $10.4 million between 2003 and 2012, with guaranteed base rent of $6.1 million and percentage rent of $3.3 to $4.3 million. Net present value is projected in the range of $5.2 to $5.7 million. Port participation upon sale, transfer or refinance of the leasehold is estimated at $4.2 to $4.8 million, assuming a hypothetical sale in the 10th year of operation. Participation in the sale of historic preservation tax credits is projected at $1.6 to $2.1 million. Total development costs are estimated at $23.8 million.

KMA found that San Francisco Waterfront Partners' proposal achieved the basic RFP Financial Objectives while maintaining consistency with Planning, Public Access and Design Objectives. The annual base rent offered is $600,000, adjusted by CPI every 5 years, with a minimum (or floor) of 10% and a maximum (or ceiling) of 20%. Percentage rent would equal 15% of gross project income.

Based upon the developer's projections, rent payments would total $8.7 million between 2003 and 2012, with guaranteed base rent payments of $6.4 million and percentage rent of $2.3 million. Net present value is projected at approximately $5.1 million. Port participation upon sale, refinance, and/or transfer of the leasehold is estimated to be about $6.8 million, assuming a hypothetical sale in the 10th year of operation. Historic investment tax credit would be used to

reduce project costs, which ultimately increases the Port's share in the participation of net sale, refinance, and/or transfer proceeds. Total development costs are estimated at $37.2 million.

KMA found that Watermark Partners' proposal was only partially responsive to the Financial Objectives set forth in the RFP in that it maximized the Port's rental revenues but in ways not consistent with the RFP's Planning, Public Access and Design Objectives. In addition, the proposal did not offer the Port any participation in the proceeds from sale, refinance, and/or transfer of the leasehold. Further, KMA believes that the rent assumptions in this proposal, which reach as high as $100 per square feet, introduce a significant element of risk that projected Port rents will not materialize. Watermark Partners' proposal is for a 50 year lease term plus a 15 year option in favor of the developer which is not responsive to the 50 year maximum lease term established in the RFP.

The revised annual base rent offered by Watermark Partners is $600,000, adjusted annually by CPI every year, with a maximum (or ceiling) of 3% per year. Percentage rent would equal 7.5% of gross project income up to $4.2 million, then 20% of income in excess of $4.2 million. Rent payments would total $11.4 to $13.2 million between 2003 and 2012, with guaranteed base rent payments of $7.3 million and participation rent of $4.1 to $5.9 million. Net present value is estimated in the range of $6.3 to $7.2 million. There is no Port participation proposed in either the net proceeds of sale, refinance, or transfer or in historic investment tax credits at this time. Total development costs are estimated at $30.6 to $32.0 million.

Both Port staff and KMA ranked the Embarcadero Waterfront Partners and San Francisco Waterfront Partners proposals first for this criterion, followed by the Watermark Partners proposal.

D. Project Feasibility

San Francisco Waterfront Partners provided sufficient evidence of funding availability with letters from a potential lender and an equity source. Based on a review of the developer's pro forma, the project appears financially feasible. The project has the lowest financial feasibility risk of the three proposals due to several factors, including the relatively modest $71 per SF average tenant rent assumed, and that Putnam-Lovell would occupy approximately 25% of the office space in the project. The developer has not reached agreement yet with Hornblower, but has secured a letter of interest from Pisces Restaurant and Oyster Bar. Their proposed schedule appears reasonable. In addition, the developer has indicated that the schedule could be accelerated with the rehabilitation of Pier 5 in a first phase, followed by Piers 1½ and 3 in a second phase.

Embarcadero Waterfront Partners provided substantial evidence of funding availability with letters from both potential lenders and from three potential equity investors. Based on a review of the developer's pro forma, the project appears financially feasible; however, the developer's proposal is based on average office rents of $77 to $82 per square foot. The proposed schedule

appears reasonable. The developer has a Memorandum of Understanding with Hornblower, which holds leases for the remainder of Pier 3.

Watermark Partners provided evidence of funding availability with letters from potential lenders and has indicated that its development partner would also be an equity investor. Based on KMA's review of the developer's pro forma, however, the project's financial feasibility appears questionable. KMA concluded that the project returns are premised on highly aggressive, even unrealistic assumptions, including an accelerated construction schedule, aggressive annual tenant rent escalations, and projected rents as high as $100 per square foot. The project is therefore subject to a high degree of risk, and its feasibility is deemed to be questionable.

Given the degree of regulatory review and the potential need to modify the project to meet regulatory requirements, the proposed schedule, which includes starting construction by May 2001, appears to both KMA and Port staff to be highly aggressive and unrealistic. The developer has letters of interest from Hawkes Ocean Technologies, Standing Room Only and the Sequoia Presidential Yacht. The Sequoia, however, is proposed to be berthed within Hornblower's leasehold, and no evidence of agreement with Hornblower is provided.

KMA ranked the Embarcadero Waterfront Partners and San Francisco Waterfront Partners proposals first on this criterion, followed by the Watermark Partners proposal. However, Port staff ranked the San Francisco Waterfront Partners proposal ahead of the Embarcadero Waterfront Partners proposal for this criterion because it involved less financial risk to the Port, given the reduced exposure to office market risk.

VII. RECOMMENDATION

Based upon the Selection Criteria established in the RFP, Port staff recommends that the Port Commission award San Francisco Waterfront Partners LLC the opportunity to enter into an Exclusive Right to Negotiate agreement with the Port to rehabilitate and lease Piers 1½-3-5. The following factors highlight the basis for the staff recommendation:

- The experience of the developer in urban mixed use and office projects, such as the Embarcadero Center, and in historic rehabilitation, such as the adaptive reuse of Pier 5 and the Federal Reserve Building, and their relationship with restaurant operators.

- The proposal best satisfies the combination of the Planning, Design, and Public Access Objectives set forth in the RFP.

- The quality of the proposed design and the extent of the public-serving amenities provided, which meet or exceed the objectives set forth in the RFP.

- The proposal offers the greatest quantity and quality of Required and Encouraged Uses as set forth in the RFP.

- The terms of the developer's financial proposal to the Port, including the specificity and responsiveness of the proposal components, the floor on CPI adjustments, and the highest potential participation in proceeds from sales, refinances, and/or transfers.

- Reduction of risk to the Port rental income stream from volatility in the office market due to the pre-leasing commitment of 25% of the office space, the proposal being based on the lowest average office rents, the highest proportion of guaranteed base rent to projected total rent, and the largest component of other revenue-generating uses.

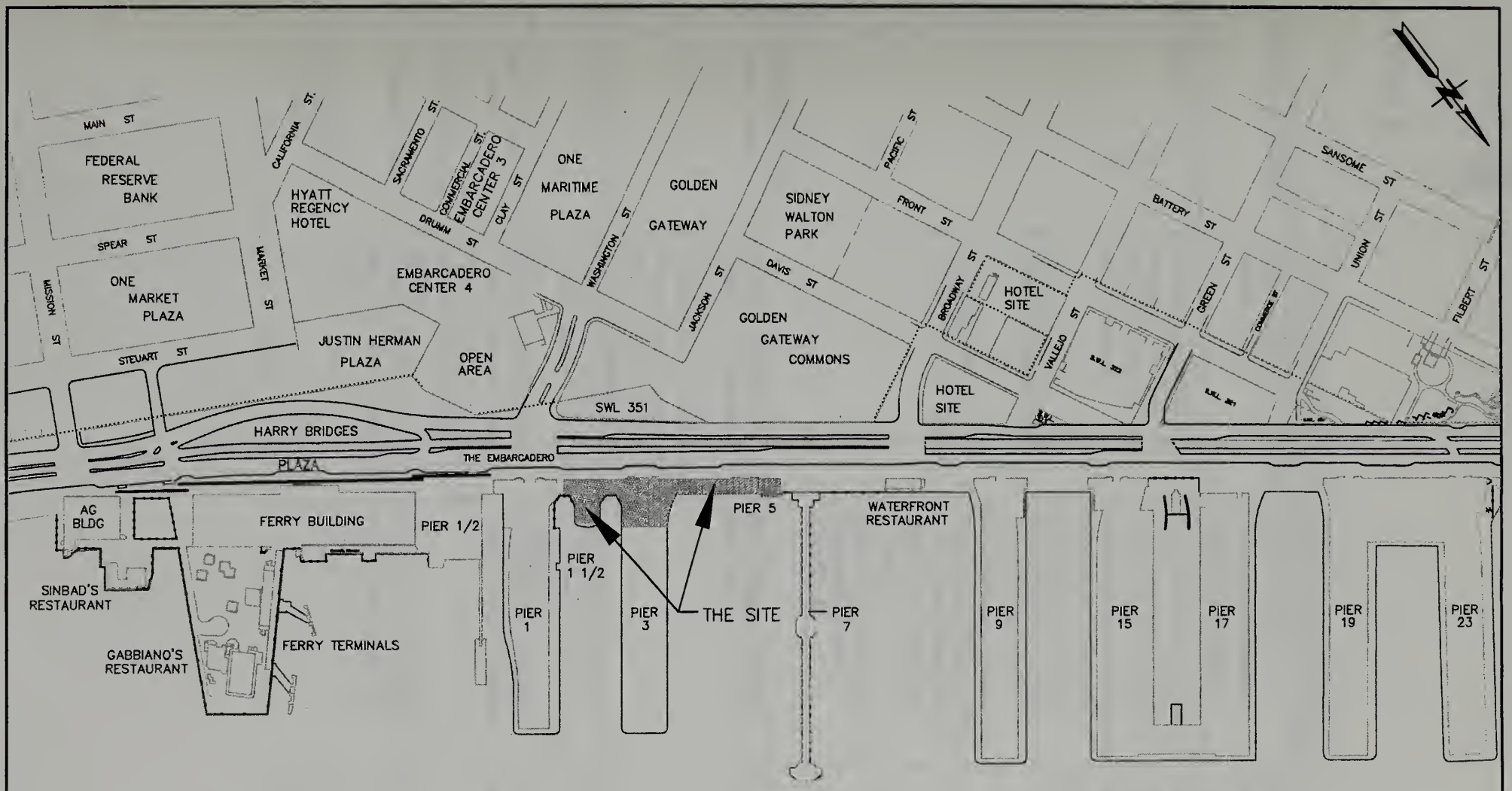
- The developer's opportunity to take advantage of its own recent occupancy of Pier 5 to start phased implementation of the project in the near term.

- The amount of the development costs projected to be spent by the developer, in total and to provide Required and Encouraged Uses.

VII. EXCLUSIVE RIGHT TO NEGOTIATE

As described in Section VII.C of the RFP, the Exclusive Right to Negotiate ("ERN") will cover a nine-month period of exclusive negotiations and will set forth the Port's commitment to not enter negotiations concerning the Site with any other party (other than short term tenancies) during the period of exclusive negotiations. The $40,000 earnest money deposit provided by the successful Respondent will be applied to the $40,000 exclusive negotiation fee and will be non-refundable. The ERN will also provide for two options to extend for three months each with a $25,000 extension fee for each option to extend (unless waived under certain conditions).

Prepared by Alec Bash, AICP
Waterfront Planner—Special Projects



APPROVED BY SAN FRANCISCO PORT COMMISSION DATE _____ CHIEF HARBOR ENGINEER	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	EXHIBIT A FERRY BUILDING WATERFRONT	DRAWN BY: ECC CHECKED BY: EB/KB DRAWING NO.	DATE: DEC 2, 1999 SCALE: NONE SHEET NO. 2 OF 3 SHEETS

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EXHIBIT B

DEVELOPMENT TEAMS AND PROPOSALS			
Development Entity:	**Embarcadero Waterfront Partners, LLC**	**San Francisco Waterfront Partners, LLC, joint venture**	**Watermark Partners LLC joint venture**
Developer:	Levin Menzies Kelly & Associates, LLC (Marvin Levin, Paul Menzies, Mike Kelly), Manager The Swig Company (Financial Partner) O'Connor Group/J.P. Morgan (Financial Partner)	Putnam Waterfront Partners, LLC, the Managing Member (Donald Putnam, Chairman; Simon Snellgrove, Managing Member, and President of Joint Venture; and Heather King-McPherson, overall financial responsibility) The Jefferson Company, the Development Manager (Todd Clayter) and Construction Manage Oversight (Kim Wilhelm) California State Teachers' Retirement System (CALSTRS)	Fidelity Partners, Inc., the Managing Member (Sanora Monteko, Joseph Sherman, Herve Vatinel, Perry Raanan) ING Realty Partners
Development Team:			
• Legal Counsel	Moscone, Emblidge & Quadra LLP: Christopher Moscone Crosby Heafy Roach & May: Eun Hee Chang (contracts) Baker & McKenzie: Tim Tosta (land use/planning)	Farella Braun & Martell: Mary Murphy	Reuben & Alter: Jim Reuben
• Architecture	Kwan Henmi Architecture/ Planning: Denis Henmi, Jeff Stahl	Richard Hannum & Associates: Richard Hannum, Janine Moss	Heller-Manus Architects: Clark Manus, Peter Zepponi
• Historic Preservation Architects	Page & Turnbull: John Turnbull, Frederic Knapp, John Alvarez II	Carey & Co. Inc: Alice Carey, Nancy Goldenberg	Architectural Resources Group: Bruce Judd
• Landscape Architect	Stevens & Assoc: Myles Stevens		
• Structural Engineers	Structus Consulting Engineers: Fu-Lien (Henry) Chang	Peter Culley & Associates: Peter Culley, John Hare	Telesis Engineers: Charles Thiel
• Pier Engineering Consultant			Hratch Kouyoumdjian & Associates: Michael O'Sullivan

• Mechanical & Electrical Engineers		Glumac & Assoc: Dick Glumac, Rick Thomas, Michael Suttie	
• Marine Consultants	Structus Consulting Engineers	Charles I. Rauw, Consulting Engineers: Charles Rauw	Power Engineering Contractors Inc: Ken Lindberg, David Mik
• Geotechnical Engineers			Treadwell & Rollo: Frank J. Rollo
• Public Affairs	Jane Winslow Consulting		Andrew Sun and Associates: Andrew Sun
• Environmental Planning			Environmental Science Associates: Karl Heisler
• Traffic Planning			Korve Engineering: Paul Menaker
• Interior Design	Kwan Henmi: Denis Henmi	Hirsch Bedner Associates: Michael Bedner	
• General Contractors	McCarthy Building Companies—Northern California Division: David Parkes, Michael Lipton, Frances Chew	S.J. Amoroso: Dana McManus, George Leonoff	DPR Construction Inc: Greg Hulbert, Scott Reay
• Interior Contractors		Fineline Group: John Santori	
• Permitting			A.R. Sanchez Corea & Associates: Tony Sanchez
• Leasing	CB Richard Ellis: Darin Bosch		Grubb & Ellis: John Jensen, Dan Cressman
• Management & Operations	Levin Menzies Kelly, & CB Richard Ellis: Darin Bosch	Putnam Waterfront Partners	
• Lead Negotiator	Mike Kelly	Simon Snellgrove	Joseph Sherman

The proposals are summarized in the following table. Note that the financial projections included in this table are based upon the proposals and other materials submitted by the respondents.

Development Entity	**Embarcadero Waterfront Partners, LLC**	**San Francisco Waterfront Partners, LLC, joint venture**	**Watermark Partners, LLC, joint venture**
Project Concept	General office uses, except for one 1,500 SF café, Hornblower ticket office, and 6,000 SF museum/non-profit or offices. Retain Piers 1½ -3-5 bulkhead buildings and Pier 1½ building; replace Pier 3 shed with 2-story building. Expanded Portwalk around Pier 1.5 and belvederes at Pier 5 beyond parameters in RFP.	General office uses, except for four food & beverage establishments of various types and sizes, totaling 10,930 SF, and Hornblower ticket office. Retain Piers 1½ - 3-5 bulkhead buildings and Pier 1½ building; add second floor to Pier 3 shed. Floating docks for berthing of excursion boats, recreational boats and water taxis, and for historic boat and ceremonial berthing.	General office uses, except 2,500 SF casual restaurant (or 5,000 SF upscale restaurant, and possibly one other food & beverage establishment), ticket office, and 3,000 SF maritime use. Retain Piers 1½ -3-5 bulkhead buildings and Pier 1½ building; replace Pier 3 shed with 3-story building. Two Scenarios: • Scenario One: Eliminate vehicular access through Pier 3 arch, and reroute

Development Entity	Embarcadero Waterfront Partners, LLC	San Francisco Waterfront Partners, LLC, joint venture	Watermark Partners, LLC, joint venture
		Expanded Portwalk and Bayside History Walk beyond parameters in RFP. Portwalk lowered and separated from existing pier edges.	around perimeter of Pier 3. Replace Pier 1½ building with 3-story building. • Scenario Two: Retain vehicular access through Pier 3 arch. Retain Pier 1½ building, but extend Pier 1½ bulkhead building over public access area. Berthing of historic boat on adjacent Hornblower leasehold. Portwalk modified from parameters in RFP.
Development Program:			
• Public Access Space (Excluding off-site Pier 7 plaza and any exclusive perimeter vehicular access space)	Exterior: 9,900 SF Interior: 6,600 SF Total: 16,500 SF	Exterior: 19,740 SF Interior: 9,467 SF Total: 29,207 SF	Exterior: 9,650/12,370 SF Interior: 0 / 4,320 SF Total: 9,650 / 16,690 SF (Scenario One/ Two)
• Total Commercial Space	68,501 Rentable SF	75,205 Rentable SF	103,800 Rentable SF (Scenario One)/ 91,140 Rentable SF (Scenario Two)
• Restaurants & Cafes	1,500 SF casual café	Four food & beverage establishments totaling 10,930 SF: • Popular-priced, 3-meal casual diner • Gourmet coffee shop/ maritime books and magazines. • Oyster bar • Upscale restaurant	2,500 SF casual restaurant (or 5,000 SF upscale restaurant) at Pier 5; plus 6,400 SF food & beverage establishment at Pier 1½ if commercially viable.
• Offices	59,402-65,402 SF (may include 6,000 SF of museum space)	63,612 SF	96,900 Rentable SF (Scenario One); 84,140 Rentable SF (Scenario 2)
• Museum	0-6,000 SF (may be offices)		
• Hornblower Ticket Office	1,599 SF	663 SF	1,400 SF (Scenario One)/ 1,500 SF (Scenario Two)
• Other Maritime Uses	Berthing and other uses compatible and in conjunction with Hornblower on Pier 3, to be developed in discussion with Port staff.	Historic boat & ceremonial berthing, and recreational boat, excursion boat, and water taxi berthing.	3,000 SF maritime office and support (Hawkes Ocean Technologies) and berthing of historic ship (Presidential Yacht Sequoia) on adjacent Hornblower leasehold.

Financial Proposal:			
• Initial Guaranteed Annual Base Rent	$550,000	$600,000	$600,000
• Base Rent Adjustments	Adjusted every 5 years by change in CPI	Increased every 5 years by increase in CPI, with 10% minimum and 20% maximum increases.	Adjusted annually by change in CPI, not to exceed 3%.
• Percentage Rent	20% of total rental revenue in excess of $3.8 M, less receipt by Port of any CPI adjustment to Base Rent.	15% of gross rental receipts less Base Rent, paid quarterly.	7.5% of gross rent net of Base Rent; 20% of gross rents in excess of $4.2 million
• Percentage Rent Adjustments	None indicated in proposal.	None	To be discussed during exclusive negotiations
• Rent During Construction	$550,000 per year	$316,000 to be added to Port's share of value of project, or paid to Port	$600,000 commencing on receipt of building permits
• Lease Term	50 years	50 years; would seek to negotiate option to extend to 66 years	50 years with 15 year renewal option
• Port's Participation in sale or refinancing proceeds	20% of all profits or excess sums after brokerage commissions and customary expenses of sale or refinance, including repayment of existing debt & equity.	Approximately 24.4% share in net proceeds from sale, transfer or refinancing in proportion to Port's share of total project costs, based upon: • Capitalizing minimum rent at 8%, plus • Total of Base Rent not paid to Port during construction ($316,000 per year), plus • Port's $2 Million substructure repair cost, plus • Port's share of historic tax credits If Port shares in refinancing proceeds, Port's ongoing percentage Rent is adjusted to reflect additional financing costs.	Not applicable—Watermark intends to hold for lease term
• Historic Tax Credits	50% rebated to Port	Port to participate as indicated above for participation in sale or refinance proceeds.	To be discussed during exclusive negotiations.

Projected Rent and Estimated Participation Income to Port:			
• Years 1-10 total rent to Port (Base Rent plus percentage rent)	$9,456,682 (museum) $10,395,430 (offices)	$8,725,512	$13,207,736 (Scenario One) $11,371,094 (Scenario Two)
• Estimated Potential Participation in Sale, Transfer or Refinance (Year 2011)	$4.2 Million (museum) $4.8 Million (office)	$6.8 Million	None proposed
• Participation in Historic Tax Credits	See above	See above	None proposed
Projected Project Costs:			
• Hard Costs (Including tenant improvement allowance and contingency; excluding Port substructure work)	$18.2 Million	$26.8 Million	$24.2 Million (Scenario One) $23.4 Million (Scenario Two)
• Soft Costs	$5.6 Million	$10.4 Million	$7.8 Million (Scenario One) $7.2 Million (Scenario Two)
• Total Development Costs	$23.8 Million	$37.2 Million	$32.0 Million $30.6 Million
Funding:			
• Historic Tax Credits	To be determined.		
• Mortgage Debt	70% ($15.5 million)	65% ($23.6 million)	65% ($21.0 million/ $20.1 million)
• Equity	30% ($6.7 million)	35% (12.7 million	35% ($11.3 million/ $10.8 million)
Schedule:			
• Start Construction	February 1, 2002	Mid 2001 (Pier 5); January 7, 2002 (Piers 1½-3)	May 17, 2001 (Sub-structure)
• Complete Construction	January 1, 2003	June 30, 2003	November 23, 2001 (Pier 5); August 8, 2002 (Pier 1.5)

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PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-05

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, In October 1999, Port staff convened the Ferry Building Waterfront Advisory Group ("Advisory Group") to provide input and guidance on the development concept to be included in a request for proposals for the development of Pier 1½ , a portion of Pier 3, and Pier 5 ("Site"), and at its December 15, 1999 meeting, the Advisory Group recommended a development concept to be incorporated into a request for proposals for the development of the Site; and

WHEREAS, On February 8, 2000, the Port Commission by Resolution No. 00-07 adopted the development concept recommended by Advisory Group, and authorized and directed Port staff to issue a request for proposals for the Piers 1½-3-5 Preservation Project ("RFP");" and

WHEREAS, The following three respondents submitted proposals to the Port in response to the RFP by the August 31, 2000 deadline: Embarcadero Waterfront Partners LLC; San Francisco Waterfront Partners LLC; and Watermark Partners LLC (collectively, the "Respondents"); and

WHEREAS, On September 19, 2000, the Port Commission by Resolution 00-75 authorized and directed Port staff to enter into a consulting contract with a team led by Keyser Marston Associates, Inc. ("KMA") to assist Port staff in evaluating the proposals submitted in response to the RFP; and

WHEREAS, On October 10, 2000, the Respondents made presentations regarding their proposals to the Port Commission and public testimony was received by the Port Commission; and

WHEREAS, Following initial review of the proposals by Port staff and KMA, Port staff requested additional information from the Respondents, and Port staff and KMA interviewed the development teams on November 7, 2000; and

WHEREAS, Port staff, with the assistance of KMA, has evaluated the Respondents, their responses to the RFP and additional information submitted by the Respondents using the selection criteria indicated in the RFP; and

WHEREAS, The Port Commission has reviewed and evaluated the Respondents, their responses to the RFP, the additional information submitted by the Respondents and the analyses prepared by Port staff and KMA, and has reviewed the Port staff recommendations set forth in the Memorandum to the Port Commission for Agenda Item 6B of its January 9, 2001 meeting, and has considered the public testimony on this matter given to the Port Commission, and has determined that the proposal by San Francisco Waterfront Partners LLC represents the best response to the RFP; now therefore be it

RESOLVED, That the Port Commission hereby awards to San Francisco Waterfront Partners LLC the opportunity to enter into an Exclusive Right to Negotiate agreement for the lease, development and operation of the Piers 1½-3-5 Preservation Project as described in the RFP, and authorizes and directs the Executive Director of the Port, or his designee, to enter into an Exclusive Right to Negotiate agreement in such form as approved by the City Attorney, with the understanding that the final terms and conditions of any development agreement, lease or related documents negotiated between the Port and San Francisco Waterfront Partners LLC during the exclusive negotiation period will be subject to the approval of the Port Commission; and be it further

RESOLVED, That the Port Commission reserves the right, if negotiations with San Francisco Waterfront Partners LLC are unsuccessful and do not lead to approval of a development agreement, lease and related documents, to select another Respondent to the RFP based on the proposal submitted, other information and conditions at that time, or to undertake other efforts including, but not limited to, issuing a new request for proposals, at the Port Commission's sole discretion; and be it further

RESOLVED, That entering into the Exclusive Right to Negotiate does not commit the Port Commission to approval of a final lease or related documents and that the Port Commission shall not take any discretionary actions committing it to the project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 9, 2001.

_____

Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

January 4, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational presentation on the proposals submitted in response to the Request for Proposals for the Piers 27-31 Mixed Use Recreation Development Project located on The Embarcadero between Greenwich and Bay Streets

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED

This staff report provides information on the following two proposals submitted in response to the Request for Proposals for the Piers 27-31 Mixed Use Recreation Development Project:

- **Chelsea Piers, L.P.,** a limited partnership. Managing General Partner: Chelsea Piers Management, Inc.
- **The Mills Limited Partnership.** Sole General Partner: The Mills Corporation, a real estate investment trust.

This report presents this information in alphabetical order of the respondents; the order of presentation does not reflect the relative ranking of the proposals.

BACKGROUND

On September 21, 1999, the Port Commission by Resolution No. 99-72 approved the mission statement and development concept, as well as key lease terms and the selection process, for the Piers 27-31 Mixed Use Recreation Project ("Recreation Project"). The Port Commission also authorized issuance of a Request for Proposals for the Recreation Project ("RFP"). The Site for the

Recreation Project consists of a 19-acre complex of piers on the Northeast Waterfront, including Piers 27, 29, 29 ½, and 31, which is shown on the attached map.

On December 8, 1999, the RFP was suspended due to the pending public review of proposed amendments to the policies and plans of the San Francisco Bay Conservation and Development Commission (BCDC), which would impact the proposed Recreation Project. On July 20, 2000, at a joint meeting of BCDC and the Port Commission, BCDC unanimously approved recommended amendments to its plans and the Port Commission unanimously approved recommended amendments to its Waterfront Land Use Plan. These amendments removed restrictions that prevented projects such as the Recreation Project proposed for Piers 27-31 from being developed, and adopted new policies for the San Francisco Waterfront between China Basin and Pier 35, including the following:

- Preservation or creation of four Open Water Basins, including the "Northeast Wharf Open Water Basin" between Piers 19 and 27, which entails removal of a portion of the Pier 23 shed;
- Creation of two new public plazas, including an approximately 2-acre "Northeast Wharf Plaza" at the front of Pier 27; and
- Removal of certain piers.

Following meetings of the Northeast Waterfront Advisory Group, the Port Commission, on August 15, 2000 by Resolution No. 00-68, approved amendments to the RFP. The amended RFP was issued on August 31, 2000, with a revised deadline of December 5, 2000 for submitting proposals.

The Port's primary goals for the Recreation Project are stated in the following Mission Statement for this development opportunity:

> "The goal of this development is to create a unique and inviting waterfront mixed-use Recreation Project, integrating a varied mix of maritime and commercial uses and open space, including a major public plaza, oriented around active recreational pursuits. This mixed-use Recreation Project will provide a venue for all San Franciscans and Bay Area residents to actively participate, individually or as groups, in diverse amateur recreational sports, physical fitness and related activities while enjoying the Recreation Project's scenic waterfront setting. The major public open space, the Northeast Wharf Plaza, will be a city and regional resource. The plaza and the other open spaces included in the Recreation Project will create opportunities for engaging in and viewing active recreational activities while enjoying expansive Bay views. New opportunities for recreational boating and other water uses will be created, and maritime berthing compatible with the adjacent new uses at Pier 27 will continue, including temporary ceremonial ship berthing and 'port of call' cruise ship berthing.
>
> "The Recreation Project will have a quality design that is authentic to the rich historic maritime industrial character of the Northeast Waterfront. The Recreation Project will be designed to respect this character, to create a focal point for new activity on the Northeast Waterfront, and to maximize public access to and enjoyment of the Recreation Project's spectacular waterfront setting."

SUMMARY OF PROPOSALS

Development Team

Two proposals were submitted by the Amended RFP deadline of December 5, 2000. The development teams for the two respondents, including the developer, sports and recreation facilities operators, and consultants, are summarized in the following table.

Developer:	**Chelsea Piers L.P.**, a limited partnership. The Managing General Partner is Chelsea Piers Management, Inc. whose principals are: Roland W. Betts, Chairman; Tom A. Bernstein, President; and David A. Tewksbury, Executive Vice President.	**The Mills Limited Partnership** The sole General Partner is the Mills Corporation, a real estate investment trust, Edward B. Vinson, Senior Vice President.
Sports & Recreation Facilities Operators:	Chelsea Piers Management, Inc. and Western Athletic Clubs, Inc. (Bay Club). Chelsea Piers Management, Inc. to operate all sports and recreation facilities except for health club facility to be operated by Western Athletic Clubs (relocating its San Francisco Bay Club facility, now at Greenwich and Battery Streets, to Pier 29).	The Mills Corporation and YMCA. The Mills Corporation to partner with YMCA for a recreation complex in new building within complex.
Consultants:		
Architects	Master Design Architects – Butler Rogers Baskett Project Architects – Kwan Henmi Architecture Planning, Inc.	Design – DAIQ Architect – Michael Willis Architects
Landscape Architects	MPA Design	SWA Group
Aquatic Architecture and Engineering	Aquatic Design Group (ADG)	
Maritime Design	Almar Management, Inc.	TranSystems Corporation
Historic Resources Architect	Page & Turnbull, Inc.	Carey & Co., Inc.
Substructural Engineer	Moffatt & Nichol Engineers	
Structural Engineer	Rutherford & Chekene Consulting Engineers	KL&A of California; McNamara/Salvia, Inc.
Mechanical, Electrical, Plumbing Engineers		Flack + Kurtz, Inc.
Civil/Traffic Engineers		Korve Engineering
Parking Consultant		Walker Parking Consultants
Code/Life Safety Engineer		Shirmer Engineering Corporation
Pre-construction Services	Turner Construction Co. – Construction Planning, Estimating and Scheduling Support	
Pre-Development Consultant		The Hummel Company, LLC
Legal Counsel	Coblentz, Patch, Duffy & Bass, LLP	Kay & Merkle; Reuben & Alter
Community Relations/Outreach	Jane Winslow Consulting	Rose Pak; The Jefferson Company
Governmental Relations		HMS Associates; David Prowler
Planning Consultant	Dean L. Macris	
Communications		Brandfusion
Project Planner		Johnson Fain Partners
Graphic Design		Louise Kollenbaum
Construction Manager		Bayley Construction
Office Consultant		Whitney Cressman Limited

Project Concept

The project concepts proposed by the respondents are summarized in the following table, using the wording included in the proposals.

Chelsea Piers L.P.

"...The...RFP describes in detail a commercial recreation facility which is very similar to Chelsea Piers New York, a project successfully conceived, built and operated by Chelsea Piers Management. The San Francisco Project, although unique in its particular mix of sports and recreational uses and rich in its own history, will have many of the same attributes that have made Chelsea Piers New York so successful.

"Chelsea Piers San Francisco will be a 20-acre waterfront sports village located on the Northeast Waterfront section of the Embarcadero, prominently situated on San Francisco Bay. This $100 Million, privately financed mixed-use recreation project will transform three large, underutilized piers into a major center for public recreation, maritime use and waterfront access. Chelsea Piers San Francisco will provide residents of San Francisco and the Bay Area with the opportunity to participate in activities that are currently unavailable or in short supply in the City. Its facilities and programs will be inclusive and affordable and will meet the needs of a culturally and economically diverse San Francisco population.

"The Project will...provide significant opportunities for the public to enjoy one of the City's most valuable natural resources—San Francisco Bay. Through beautifully landscaped *Northeast Wharf Plaza*, an almost one mile waterside promenade, a new *Bay Plaza* at the tip of Pier 27, a *History Wall*, a *Bayside History Walk* and large column free interior spaces offering spectacular Bay views, Chelsea Piers San Francisco will maximize public access and enjoyment of the waterfront. The Project's design will preserve and emphasize the historically significant pier structures, adding magnificent architecture to the unique mix of uses that comprise the Project.

"Chelsea Piers San Francisco will also serve as a model public / private partnership. The Project will create thousands of new jobs, produce substantial revenues for the Port, provide a capital investment in the City in excess of $100 million and generate significant public benefits to the local community through free public events, youth sports programs, scholarships and more.

"Chelsea Piers San Francisco will include several different sports and recreation venues, a full-service maritime center and an open space network. Principal sports and recreation venues [will include]: *The Field House, The San Francisco Bay Club, The Aquatics Center, The Rinks, The Extreme Park, Bowling & Billiards, The Event Center.* Boating and Water Uses [will be provided in] *The Maritime Center.* Open Space/Public Access Network [will include]: Public Walkways, *Northeast Wharf Plaza*, Interior Spaces, *Bay Plaza*, *History Wall*, *Bayside History Walk.* Ancillary uses [will include]: Restaurants, Retail and Commercial Space.

"The Proposed Recreation Project for Piers 27-31, Chelsea Piers San Francisco, will transform these three historic piers into San Francisco's most unique and exciting waterfront destination. Incomparable sports facilities will make Chelsea Piers a center for recreation, team play and sports training. A revitalized maritime center will offer a variety of waterfront activities. An open space network of plazas and promenades will provide extensive opportunities for San Francisco and Bay Area residents to access the waterfront and enjoy magnificent Bay Views..."

The Mills Limited Partnership

"Objective: The concept will optimize this unique opportunity to bring the entire community to the Bay for enjoyment and recreation in the true spirit of San Francisco. With recreational opportunities and public access, the project will serve all age and cultural groups, provide opportunities for active and passive recreational activities, and extend the city-wide network of usable public open space. It is the intent of the development to serve the needs of Bay Area residences and not act as a tourist destination. This new Bay Area recreational asset is made feasible by the ability of office rents to cover the cost of bringing the pier buildings to code and rehabilitating the historic buildings.

"Recreational Concept: Active and passive recreation is distributed throughout the project in both indoor and outdoor spaces. Recreational uses are intermixed with supporting ancillary retail such as bike shop/rental, fishing gear, recreation/sports-related retail, restaurants and cafes. The project's outdoor spaces accommodate active

recreation...and passive recreation...

"Design Concept: The concept removes the existing 1967 Pier 27 building. This large diagonal and non-historic building will be replaced with a smaller new building located perpendicular to the Bay front and a new water basin that brings the Bay closer to the Embarcadero, together recall the forms of mid-Twentieth Century finger piers in the area. The new building will echo the form, colors and massing of its neighboring historic pier sheds. The resulting concept opens Bay views while creating a major public plaza and recreational facility larger than requested by the Port.

"Partnering with the YMCA: The development mix includes partnering with the YMCA for a recreation complex in the new building, and offices over recreation and ancillary retail and parking in the historic buildings to be retained.

"Views: Removal of the existing Pier 27 building maximizes the view and access benefits of the break in the line of bulkhead buildings and opens broad vistas to the Bay from the Embarcadero..."

"Open Space: Basic to the concept is that indoor spaces and facilities support outdoor spaces. A broad range of unique open space environments are created by the plan, grouped into three major zones: *The Northeast Wharf Plaza, Sports Valley* and *Marine Center.*

"*Northeast Wharf Plaza*: The proposed site design includes a larger than required four acre Northeast Wharf Plaza with BaySteps facing out to the Bay as well as back to the City skyline...

"*Sports Valley*: A lively palm-lined recreational open space is proposed between the new YMCA and the Pier 29 building for sports and exhibit activities...To the east are YMCA aquatic center and athletics/recreational facilities that are open to the public. To the west are recreation activities and recreation-related retail. Restaurants, an exhibit pavilion and carillon are located at the end of Sports Valley...

"*Marine Center*: Marine Center includes the water sports basin between finger Piers 29 & 31, amphitheater and ...café and restaurant terraces. The first level of the Pier 31 building will provide on-site parking. The second floors of the Piers 29 & 31 buildings will house offices as will the two-story Headhouse building linking Piers 29 & 31."

Development Program

The development programs proposed by the respondents are summarized in the following table, using the descriptions and square footages stated in the proposals, without any additional clarifying information from the respondents. The uses are categorized as defined in the RFP, distinguishing between Required, Encouraged and Permitted Uses. As provided in the RFP, Required Uses must be included in the Recreation Project, and Encouraged Uses are desirable but not mandatory. Permitted Uses are allowed, but must be ancillary to Required and Encouraged Uses. The information in this table does do not reflect any evaluation by Port staff.

Uses	Chelsea Piers L.P.	The Mills Limited Partnership
Recreational Enterprises *Required Use*	Approximately 465,000 s.f. of the Project's interior space (excluding 30,000 s.f. Event Center) are sports and recreational facilities, offering sports programs, instruction, and team play. All programs available on either a daily admission, pay-as-you-go basis, or through registration in classes, clinics, camps and leagues, priced for a wide range of visitors. Free public community events held throughout the year, primarily on the Northeast Wharf Plaza.	Recreational enterprises, programmed at 125,000 s.f., represented by the facilities of the YMCA, including game courts, gym facilities, exercise rooms, and lockers. Other facilities indicated for the YMCA include a skateboard park, child care, roof top sports, Teen Center, Climb Center, Fitness Center, Aquatics Center, and Aerobics Center. *Sports Valley* [also included under Open Space below] is an outdoor open space, located between Pier 29 and the new mixed-use YMCA building, which

Uses	Chelsea Piers L.P.	The Mills Limited Partnership
	The Field House – 100,000 s.f. facility located in Pier 27 including a 20,000 s.f. gymnastics training center, 3 hardwood basketball courts, 3 artificial-turf fields for field sports activities (including indoor soccer, lacrosse, field hockey, and baseball), batting cages, dance and martial arts studios, and special event party rooms. *The San Francisco Bay Club* – 100,000 s.f. health club membership facility operated in Pier 29 by Western Athletic Clubs with day passes available for purchase for periodic non-member use. Facilities include hardwood basketball and volleyball courts, squash and racquetball courts, a swimming pool, exercise, aerobics and cycling studios, a full-service day spa, a childcare center, lockers, and a physical therapy and sports medicine facility. *The Aquatics Center* – 100,000 s.f. center located in Pier 29 ½ with instructional and competitive classes and recreational swimming. Facilities include an Olympic 50 meter indoor pool and 4 other special use pools, including a dive pool, a children's instructional pool, a physical therapy and exercise pool, and an outdoor recreational pool. *The Rinks* – 75,000 s.f. skating facilities located in Pier 27 including 2 regulation-sized ice rinks with viewing areas for up to 1,000 spectators. Rinks also serve as roller rinks based on seasonal demand. *The Extreme Park* – 40,000 s.f. facility located in Pier 31 featuring a Skate Park (for in-line aggressive skaters, skateboarders and BMX riders), a Ropes Course, and a Rock Climbing Wall. *Bowling & Billiards* – 50,000 s.f. facility located in Pier 29 with 40 bowling lanes and 40 billiards tables, a video game arcade and birthday party rooms. Mezzanine level	will offer a range of active sports and recreational opportunities, with a combination of free, pay-as-you-go, and drop-in activities. This multi-use area is suitable for court games, such as volleyball, badminton, or diminutive soccer pitch.

Uses	Chelsea Piers L.P.	The Mills Limited Partnership
	billiards center. *The Event Center* – Located at end of Pier 27 [See Assembly and Entertainment below.]	
Recreational Boating & Water Use *Required Use* **Temporary and Ceremonial Berthing at Pier 27** *Required Use* **Water Taxis** *Encouraged Use* **Ferry and Excursion Boats, Historic Ships, Maritime Support Services, Temporary and Ceremonial Berthing at Piers 29-31** *Permitted Uses*	*The Maritime Center* – Situated along almost one-mile perimeter of Piers 27-31, with kayaking and sailing facilities and schools, large and small boat berthing, dinner and excursion cruise boats, water taxis and ferries, maritime support, and temporary and ceremonial berthing of large vessels and historic ships. A small boat marina with floating docks located between Piers 29 and 31. Temporary and Ceremonial Berthing at outer 900 ft. of Pier 27 apron.	*Marine Center Water Sports-* A water sports basin with a landing between Piers 29 and 31 offering small craft rentals, including kayaks, dinghies, canoes and windsurfers. A YMCA Marine Sport Center located in Pier 29 ½. Short-term docking for sail- and powerboats, ferries, excursion boats and historic ships along Piers 29 and 31, including a floating dock for water taxis. Temporary and Ceremonial berthing at Pier 27.
Open Space/Public Access *Required Uses*	Approximately 250,000 s.f. of the total Site dedicated to Open Space and Public Access. Open space network with an approximately one mile long waterside public promenade that ranges in width from 20 feet to 50 feet around the perimeter of the project, walkways, interior spaces, public plazas, a History Wall and Bayside History Walk. *Northeast Wharf Plaza* – A 2 ½ acre public plaza to be designed and programmed to promote daytime and nighttime usage with regular free public events.. Three potential design layouts presented for public review, recognizing that a number of interested governmental entities and civic groups will participate in the design of this plaza. Retention and reconstruction of part of Pier 27 shed roof over 12,000 –14,000 s.f., providing shade and rain protection for visitors. *Bay Plaza* – A large open space at the tip of Pier 27, with simple landscaping and park furniture to allow visitors to experience the natural beauty, sights and sounds of	Approximately 454,000 s.f. of the total Site devoted to open space, including plazas, and the historic walks and workspace around the historic piers. Network of pedestrian paths and plazas throughout project. Range of open space environments grouped into three major zones: Northeast Wharf Plaza, Sports Valley, and Marine Center. More than 300,000 s.f. of open space in Northeast Wharf Plaza and Sports Valley. *Northeast Wharf Plaza* –A larger than required, 4-acre Northeast Wharf Plaza with BaySteps facing out to Bay, as well as back to the City skyline. Two banks of L-shaped steps lead to the water's edge, forming a viewing gallery for a Waterspout Fountain. The open plaza is raised above The Embarcadero, with a bank of steps leading up from The Embarcadero. The plaza provides a large and flexible recreation space, designed to be a multipurpose space suitable for a broad range of uses and events including regularly scheduled public festivals for family and individual use. The plaza includes a series of paved and grassy play spaces supporting programs at the adjacent

Uses	Chelsea Piers L.P.	The Mills Limited Partnership
	Bay. Public Promenades and Walkways including a continuous PortWalk around perimeter of the piers, as well as walkways along the Piers 27 and 29 sheds in the valley between the two piers. In addition, 4 covered walkways through the pier sheds, including at the mid-points of the Pier 27, 29 and 31 sheds and where Pier 27 meets Pier 29. Interior Spaces – In each recreational facility, spacious lobby viewing areas open to the general public. *History Wall* – 600 foot long photographic History Wall with large-scale historic photographs spanning the valley side wall of Pier 27. *Bayside History Walk* – A series of site markers with descriptions of historic building facades and popular landmarks viewable from the site.	YMCA. *Sports Valley* – [see also Recreational Enterprises above] palm-lined recreational open space between new mixed-use YMCA building and Pier 29 building for sports and exhibit activities and a new view corridor to the Bay. Near the Bay edge, a carillon and demountable, open-sided tent-like pavilion for exhibits. Fisherman's Point, a fishing/viewing platform, cantilevered at the end of Pier 29. *Marine Center* – [see also Recreational Boating & Water Use above] Includes viewing area/amphitheater between Piers 29 and 31. *Promenade* – A cross-axial promenade, spanning the entire project along inner edge of the pier basins linking Marine Center and Northeast Wharf Plaza. Other elements of open space network include entry plaza adjacent to The Embarcadero, and a continuous PortWalk around the perimeter of the piers.
Total Permitted Commercial Uses (Including Retail, Office, Museums, Assembly and Entertainment, and Visitor Services Uses [outlined below]) *Permitted Uses*	Approximately 100,000 s.f. of programmed commercial space for retail, restaurant, and general office use, plus a 30,000 s.f. Event Center [outlined below].	Approximately 434,000 s.f. of interior mixed-use commercial space for retail, restaurant, maritime and general office uses, and visitor services [outlined below].
Retail (including restaurants) *Permitted Use*	3 small to medium sized restaurants located within the complex. In addition, food services available at the Field House, the Rinks, the Bay Club, Bowling & Billiards and the Aquatics Center. A small percentage of the Project will be dedicated to retail. Most of the retail space will support the businesses located at the Project and will have either a sports or maritime use. Examples include: skating pro shop, bowling pro shop, and retail space with direct access to the Embarcadero consistent with, and related to, the sport, recreation and maritime uses of the Project.	Retail programmed for 182,000 s.f., including 4 cafés and approximately 6 restaurants, plus a sports retail center on the 1st floor of the Pier 29 shed and at the front of the new YMCA building. Potential retail tenants include traditional sports retailers, hybrid sports/recreation venues and other complimentary uses like a New Age books and music boutique, herbalist/health food emporium, sports medicine facility. Other retailers and services include aromatherapy, massage, spa/salon treatments, sports/recreation rental/repair outlets, and specialized sports equipment and clothing shops. Artisans' Gallery for display of

Uses	Chelsea Piers L.P.	The Mills Limited Partnership
		developing arts and artisan crafts at end of Pier 29, adjacent to restaurants
Office Uses - Maritime and General Permitted Uses	Space for general office and commercial uses within the Project support or are related to the sports and recreational facilities offered on site. Several spaces ranging in size from 1,000-25,000 s.f. to be developed on mezzanines and in other locations throughout the Site.	Maritime and General Offices programmed at 250,000 s.f. in total provided in upper floors of Pier 29 & 31 buildings and both levels of Piers 29 & 31 Headhouse building.
Museums *Permitted Use*	Preliminary discussions have been undertaken with the Museum of the City of San Francisco to establish exhibition or display space at the Project. A variety of museum uses to be explored for various locations throughout the Site.	[See Retail above.]
Assembly and Entertainment *Permitted Use*	*The Event Center* – 30,000 s.f. exhibit and banquet space with meeting and reception rooms to accommodate up to 800 for seated events and 1,500 for receptions.	Marine Center amphitheater – a public performance venue at water's edge seating approximately 250 persons for various public performances.
Visitor Services *Permitted Use*		In relocated Beltline Railroad Office Building, along with public safety facility and restrooms (approximately 2,000 s.f.)
Parking *Permitted Use*	Approximately 350 short term parking spaces in the valley between Piers 27 and 29 and within Pier 31. Public transit and ride sharing will be encouraged in all Project literature and communications and through an internally developed Transportation Demand Management Program.	Approximately 170 parking spaces in tandem arrangement on first level of the Pier 31 building. The facility will offer valet, car/vanpool and ride-share components.

Next Steps

Port staff with the assistance of an independent consultant team led by Bay Area Economics has commenced its review and evaluation of the two proposals, utilizing the selection criteria indicated in the RFP. Port staff and the consultant team anticipate requesting additional clarifying information from and conducting interviews with the respondents. Other public presentations by the two respondents are being scheduled, including before the Northeast Waterfront Advisory Group (February 7, 2001 at 4:00 p.m. in the Port Commission Hearing Room), SPUR (February 7, 2001 at 12:30 p.m., 312 Sutter Street), and the Fisherman's Wharf Waterfront Advisory Group (special

meeting to be scheduled). Port staff anticipates making a recommendation to the Port Commission in March, 2001 that the Port Commission authorize staff to enter into exclusive negotiations with one of the two RFP respondents.

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects

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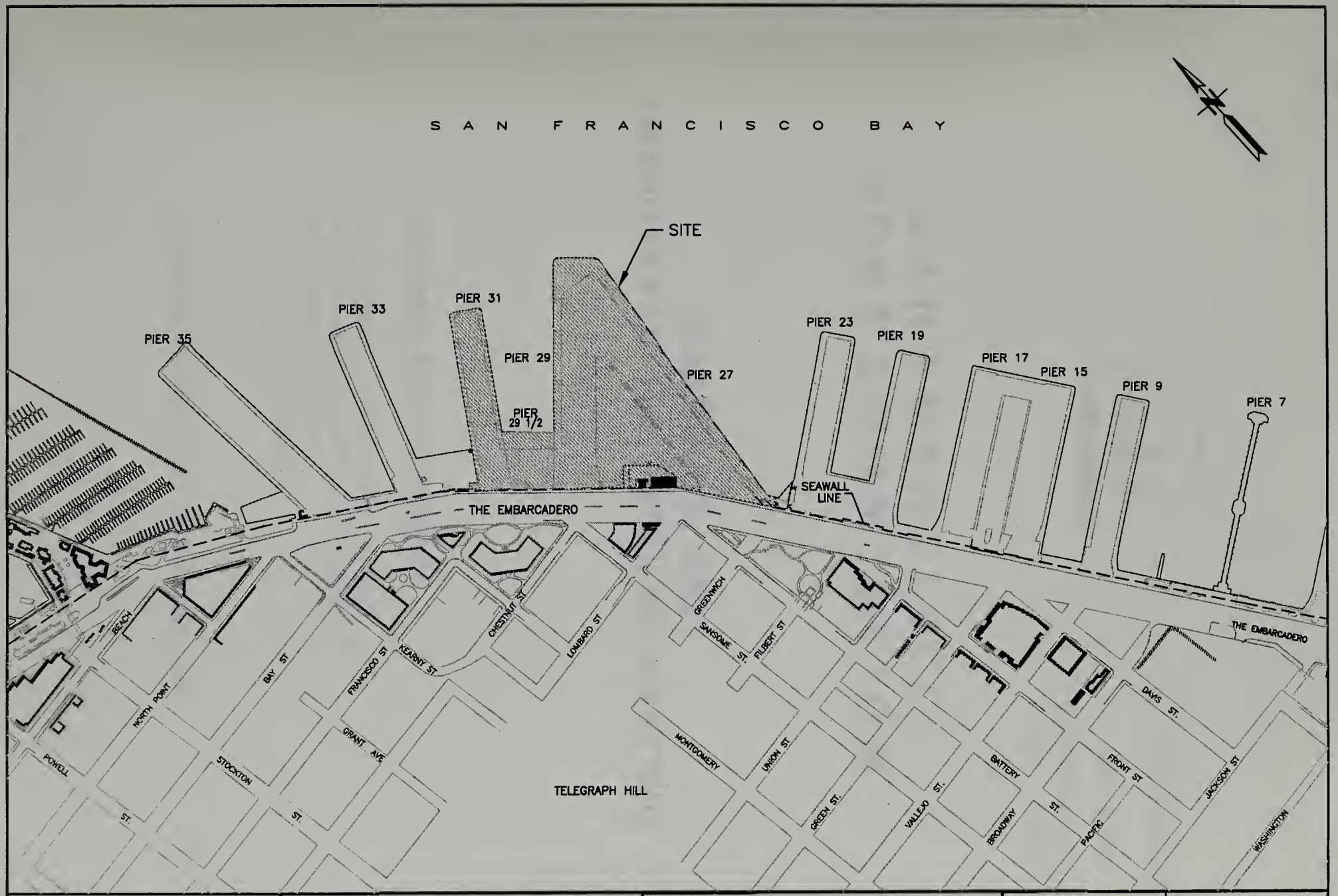

APPROVED BY SAN FRANCISCO PORT COMMISSION DATE _____ _____ CHIEF HARBOR ENGINEER	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	NORTHEAST WATERFRONT	DRAWN BY: EDC CHECKED BY DRAWING NO. DATE: OCT 1, 1999 SCALE: NONE SHEET NO. OF SHEETS

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SAN FRANCISCO
PORT COMMISSION

JANUARY 9, 2001
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JANUARY 9, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:10 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2. APPROVAL OF MINUTES - December 20, 2000 Special Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. The minutes of the December 20, 2000 Special Meeting were adopted.

3. EXECUTIVE

A. Election of Officers

Claude Jacques spoke about Commissioners Brandon and McCarthy's contribution to the Port of San Francisco.

Commissioner Hardeman opened the floor for nominations of Port Commission President.

ACTION: Commissioner McWilliams nominated Commissioner Brandon as President of the Commission. Commissioner Lee seconded the motion. All of the Commissioners were in favor. Commissioner Brandon was unanimously elected President of the Commission.

Commissioner Brandon opened the floor for nominations of Port Commission Vice President.

ACTION: Commissioner Lee nominated Commissioner Brian McWilliams as Vice President of the Commission. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. Commissioner McWilliams was unanimously elected Vice President of the Commission.

B. Executive Director's Report: Mr. Douglas Wong thanked Mr. George Lu for hosting the meeting at Gabbiano's Restaurant.

1) Commendation for Cliff Jarrard on his retirement. Mr. Alex Lee, Director of Engineering & Maintenance presented Mr. Jarrard a certificate of recognition for his many years of contribution to the Port of San Francisco. Mr. Lee wished him

well on his retirement. Mr. Lee also introduced Nita Mizushima as the acting Chief Harbor Engineer.

2) Thank You to Supervisor Bierman for her contributions to the Port of San Francisco. Ms. Veronica Sanchez, Manager of Governmental Affairs, sought Commission's approval to prepare an appropriate certificate of recognition for outgoing Supervisor Sue Bierman for her numerous contributions to the Port of San Francisco.

3) New Year's Eve Celebration. Mr. Wong reported that the City & County of San Francisco hosted its second free New Year's Eve celebration at the Mid-Embarcadero in front of the Ferry Building. The City sponsored event began at 10 p.m. with DJ music followed by a fireworks display at midnight from the Ferry Building and from two barge locations in the Bay, south of the Ferry Building. The police estimated the crowd at approximately 200,000. Unlike last year's Millennium Celebration, all Port and local restaurants stayed open during the event which provided overflow customers. The City looks forward to establishing the Ferry Building as the annual site for its New Year's Eve celebrations.

4. OPERATIONS

A. Resolution supporting a grant application by Literacy for Environmental Justice in the amount of $1,007,111 for the Commission on the Environment Grants Program to build a Greenhouse/Educational Facility at Heron's Head Park. (Resolution No. 01-02)

Ms. Veronica Sanchez, Manager of Governmental Affairs, presented the item and requested Commission's approval. She also acknowledged Carol Bach and Imani Haygood for their tireless efforts on this project.

Commissioner Brandon echoed Ms. Sanchez comments regarding Ms. Bach and Ms. Haygood.

Ms. Dana Lanza, Director, and Mr. Marshall Reed, spoke about the project and its importance to the neighborhood and asked the Commission to approve the resolution.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. Resolution No. 01-02 was adopted.

5. ENGINEERING & MAINTENANCE

A. Informational Presentation on Wharf J-10 located in Fisherman's Wharf at Fish Alley and Leavenworth Street.

Commissioner McCarthy indicated that this item was deferred from the last meeting per Mrs. Cincotta's request. Mrs. Cincotta, regretfully, is unable to attend today's meeting but asked staff to proceed with the presentation of this item.

Mr. Alex Lee provided the Commission a status report on the Wharf J-10 project. Mr. Lee indicated that the Phase II Wharf J10 Facility Engineering Study evaluated five

different conceptual options for the future use of the building. The study evaluated the current requirements for fish processing facilities. All of the options were considered within the context of the future utility of the Wharf J10 facility for the fishing industry. Three of the options (Options B, C and D) would maintain fishing industry use of this site. Option E reserves the site for future improvement for fishing industry uses. Option A, which would replace the substructure and retrofit the existing building, would not meet current seafood processing requirements.

Staff will continue meeting with the existing leaseholders to discuss findings of the Phase II engineering study regarding the building and the status of their leaseholds in the building. The five alternative projects described in these options might be subject to environmental review under the California Environmental Quality Act (CEQA). If an environmental impact report (EIR) is required, the standard process will require publication of a draft EIR and a public hearing with an opportunity for the public to comment. After appropriate responses to the comments are prepared, the Planning Commission would review the EIR for adequacy. The Port Commission would then review the final EIR prior making any determination about the project. This process could occur within approximately a six-month period, once all of the relevant information is submitted to the Planning Department.

B. Authorization to execute Seventh Amendment to Professional Services Contract No. SA 3930045, Downtown Ferry Terminal, with ROMA Design Group for additional design, coordination and construction support work for a not-to-exceed sum of $239,292. (Resolution No. 01-03)

Ms. Nita Mizushima, Acting Chief Harbor Engineer, presented the item and requested Commission's approval.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. Resolution No. 01-03 was adopted.

C. Authorization to execute a contract modification to Contract No. 2664, "Hyde Street Harbor Landside Improvement," for an additional amount of $275,000. (Resolution No. 01-04)

Ms. Mojgan Yousefkhan, Project Engineer, presented the item and requested Commission's approval. She also showed the Commission a slide presentation regarding the progress of the project.

Commissioner Brandon thanked Ms. Yousefkhan for the thorough presentation and commended her for a job well done.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. Resolution No. 01-04 was adopted.

6. PLANNING & DEVELOPMENT

A. Informational Briefing on the Pier 70 Advisory Group's Recommended Development

Goals and Objectives for the Pier 70 Opportunity Area.

Mr. Mark Paez, Port Planner, presented the item the Advisory Group's goals and objectives for the Pier 70 Opportunity Area. Mr. Paez indicated that Ms. Levine and Mr. Borg will be addressing the process through which the advisory group reached consensus on a number of issues. The process began with informational briefings that Port staff provided and supplemented with its consultant team on areas of economic feasibility, architectural design, environmental quality, historic preservation and a variety of other pertinent topics. From these briefings and the individual member's specific expertise and knowledge of the area of the waterfront and the surrounding neighborhood, the advisory group developed a set of goals and objectives that would be required to address and balance the interest and the needs of the Port and the community. As was noted in the transmittal memo, in response to the Commission's action adopting a resolution requesting that the Pier 70 development include at least 150,000 s.f. of arts non-profit space, the community re-examined their goals and objectives and made adjustments. Port staff and the committee are recommending the goals and objectives for inclusion and future issuance of an RFP or RFQ for the opportunity area. Port staff asked the committee to continue on as–needed basis and the members have agreed.

Toby Levine, Chair, on behalf of the Pier 70 advisory group, thanked the Port Commission for providing them the opportunity to serve on the advisory group. It was extremely interesting and enjoyable. Port staff (Mark Paez, Anne Cook, Diane Oshima, Gerry Roybal and Williamson) have provided terrific support to them. The advisory group comprised of neighborhood representation from the dogpatch neighborhood as well as the business, maritime, history and the arts community. Having such a diverse group, they decided to make this a consensus project. Not only were the members represented but as well as the public and various staff from Muni and Planning Department. Everybody's point of view was taken into account. All issues that were brought to them having to do with this project were resolved and consensus was reached. The documents that were provided to them and the experts who came to their meetings were very informative. The committee has made every effort to take into account the needs of the public, the needs of the Port and all of the surrounding interests. They feel that this project should move forward as rapidly as possible. There should be a tight and timely schedule in terms of issuing the RFP/RFQ. She hoped that the Commission ensures that this project goes forward in a timely manner.

John Borg, Vice Chair, added that Pier 70 is a special place on the waterfront. It has great potential for the future and also a lot of challenges that they tried to grapple as a group. The group was able to balance a lot of needs and are anxious to get things moving forward.

Curtis Smith, Joe Goode Performance Group, part of the Pier 70 consortium group, indicated that they are a local dance theatre group in San Francisco and are at risk. He asked for the Commission's help since they have lost their space last fall. They are currently on sub-rent for office through the generosity of an architect who has rented space to them at below market rate. Their performances and rehearsals are now being performed at a space where they are renting on an hourly basis, which has deeply

impinged upon their programming this year and the next. They have a need for a full time permanent space. They are happy to be a part of the consortium and hope that this process goes through. Their program is very community based and they have been working with various youth groups for five years to provide education and opportunities for young people at risk to be introduced to the dance and to have opportunities to go back to their neighborhoods. These programs have now been cut back because of their space requirements. This program is absolutely important not only for them as a local group but for their group as a whole to bring additional presence in San Francisco and focus to the arts and the various groups that are part of their consortium.

Ella King Torrey, Pier 70 Arts Consortium & San Francisco Art Institute, indicated that they are thrilled that the advisory committee, Port staff, Port Commission, the Mayor, the Board of Supervisors have recognized the importance of permanent space for arts organization in our community. They are also thrilled that Pier 70 could be a significantly part of this solution. The Art Institute is one of the many organizations in this community renting property in what used to be a marginal area but is now considered premium real estate. Their current lease expires in November 2002. Given that their location is contiguous to the current Four Seasons development project, they have no hope that they could maintain their current rent on a new lease or if the building will exist. They have been actively looking for space for over 2 years. They have been outbid on numerous properties throughout the City. They have begun to look at properties in Oakland, Alameda and other cities in the East Bay until Pier 70 came along. With the priority for arts and educational space coming out of the citizens advisory process which was supported by staff and the Commission, Pier 70 could be a solution not just to their problems but to the numerous arts organizations and to those of the community as well. The consortium of 18 organizations with diverse missions and constituencies are proposing to develop approximately 200,000 s.f. of arts space at Pier 70. They have the capacity, the personnel and the resources to complete this project in 24-36 months. They can provide the Port and the City a big win. They are excited about this opportunity to compete for an RFP and to hopefully work in partnership with the Port to deliver a win-win situation for everybody. She was, however, concerned that as of today no date has been set for the issuance of the RFP. If it is not set soon, the forces galvanized for this project will dissipate and move on. The citizens advisory committee have met for over ten months. They have been working with the Port since June. In September, the Mayor announced that there would be at least 150,000 s.f. for arts at Pier 70 and they were told that an RFP would be forthcoming in December but there still is no finite schedule. She understood that there is some delay because of an interest to resolve certain trust issues around Pier 70. While she is sympathetic with this, she is also perplexed because according to the Port's records RFPs have recently been issued for projects such as the Ferry Building, Piers 27-31, Pier 45, Piers 30-32 before all those issues were resolved. She proposed to work with the Port to resolve those issues, use their legal counsel as well as the Port's, their political connection, their elbow grease or whatever it takes to resolve these issues in ways that they are beneficial and appropriate to all. She asked the Commission not to delay the RFP and its issuance any longer. She concluded with a vision that the Pier 70 arts complex would proceed in a manner similar to and with an equally successful result as the recent development of SFMOMA. By securing space now, by issuing the RFP soon and allowing them to compete, the consortium of 18

organizations, the Pier 70 arts complex could assure the vitality of San Francisco arts community for generations to come.

Jasper Rubin, Planning Department staff, indicated that better neighborhood 2002 is a citywide planning effort aimed at responding to pressures on San Francisco to accommodate new housing and jobs while maintaining and improving the City's diverse neighborhoods. The basic idea is to link new development, in particular housing, to transit. One of the three initial pilot project areas is the central waterfront and it was selected largely because of the City's significant investment in transit and the Third Street Light Rail. The result of this effort will be a specific plan that would shape the future of the neighborhood. The study area for the neighborhood plan includes Pier 70. The plan's success depends heavily on coordination with City agencies and residents. As part of an ongoing planning coordination effort between the Port and Planning Department staffs and the surrounding neighborhood, he has attended the Pier 70 CAC meetings. He commended the work of the committee and congratulated them on the process they have completed. He thanked Port staff for their efforts and for extending the opportunity to the Planning Department to participate in the CAC.

Jean Myers read Susan Miller Executive Director of New Langton Arts notes for the record: "I read the recommendation of the Pier 70 advisory group to the Port Commission and also want to add my support for these recommendations. They are sensitive and supportive of the needs of non-profit arts and they will ensure the development of that property that serves San Francisco and its visitors. I want to impress upon you that there are many needy non-profit organizations that must make immediate choices about their future locations. I encourage you to issue the RFP quickly so we don't lose anybody due to these delays."

Thomas Meyer, San Francisco Camerawork, indicated that Camerawork had to leave its home of five years and had to move in with another non-profit arts group in order to continue their tenancy in the City. He stressed the importance of alacrity in this approval process of the RFP.

Joe Boss, Citizen, Potrero Hill/Dog Patch, indicated that he served on the Pier 70 committee and agreed on what was said. The group was well balanced and they examined the issues and came up with a good list of goals and objectives. Early in the process, they have determined that there need to be some inclusion of non-profit space. By splitting the RFP into separate two RFPs rather than having the arts inclusion being part of the RFP, the economic viability of the project will be compromised as well as the long-term cash flow to the Port. The Port's consultant concluded that it would have negative impacts on the value of the project but by eliminating the historic restoration or rehabilitation of Building 104 and the elimination of any other non-profit space in the project, the project could be marginally feasible. He understood the arts group need for a feel that they need to be at the helm of their development but what's more important is that their development gets built and the rest of Pier 70 is also built. He encouraged the Commission to take a look at incorporating their needs into an RFP both timeline and physical space and move forward with a single RFP. He also understood the need for moving this along as quickly as possible. He pointed out that it was stalled by the running out of space

under Prop M. Prop L exempted Pier 70 which would have moved it along but it was defeated. He believed that a separate initiative that exempts Pier 30-32 and Pier 70 could be placed on a ballot and it would pass. This is also one of the reason why they put a cap at 650,000 s.f. on office at Pier 70. He encouraged the Commission to support the staff in its effort to encourage Muni to enhance the turnaround between 18th and 19th along Illinois Street.

Commissioner McWilliams thanked the advisory committee for the work they did particularly along the issues of maritime where the references to maritime in the report are favorable in maintaining a friendly environment and access for the shipyard work and other maritime activities. He thanked the committee for their support in reaching that conclusion.

Commissioner McCarthy also thanked the committee and indicated that there were well-seasoned members in the committee including Toby Levine which made a huge difference on how well the meetings were run. She noted that the Commission received a letter from Pamela David, Director of the Mayor's Office of Community Development supporting the dedication of at least 150,000 s.f. of arts space at Pier 70 and asked the Port to move forward as quickly as possible on this dedicated space.

B. Authorization to enter into an Exclusive Right to Negotiate for the Rehabilitation and Master Lease of Piers 1½-3-5 for retail and office uses. (Resolution No. 01-05)

Mr. Alec Bash, Port Planner, presented the item and requested Commission's approval to enter into exclusive right to negotiate with San Francisco Waterfront Partners LLC to rehabilitate and lease Piers 1½, 3 and 5. He thanked the following Port staff for their efforts on this project: Neil Sekhri, Ed Byrne, Kirk Bennett and Jennifer Sobol. He also thanked the following advisory group for their help with the development concept: Anne Halsted, Charles Chase, Jane Morrison, Marina Secchitano, Julia Viera, Don Wyler, Herb Lembke and Bill O'Connell. He also thanked the other two respondents for their proposals as well as the Port's consultants for their work . He thanked everyone who participated in the process.

The Port's primary goals for this development are stated in the following Mission Statement from the RFP:

"The goals of this development are to: (1) create an inviting mixed-use Project which will help attract the public to the Bay and enhance their waterfront experience, (2) preserve and rehabilitate the historic waterfront maritime buildings on the Site, and (3) provide rental revenue to the Port to support its public trust mandate.

"The Project will have a quality design that is authentic to the historic maritime character of the Ferry Building Waterfront and the Northeast Waterfront. The Project will be designed to respect this character, to bring new commercial and maritime activity to the Ferry Building Waterfront, and to maximize public access to and enjoyment of the Project's spectacular waterfront setting."

The selection criteria set forth in the RFP were as follows: (1) Ability, Experience and Past Economic Performance; (2) Development Concept; (3) Financial Proposal; and

(4) Project Feasibility. The San Francisco Waterfront Partners team scored first or tied for first in all the categories.

Ernestine Weiss was happy to see this project move forward. She asked the Port to remove the concrete benches nearby so the thorn on their site will be taken away forever.

Jennifer Clary, San Francisco Tomorrow, indicated that she understood the criteria of this project and the importance of the historic preservation and the amount of money required to perform it but to call it a mixed use project is a bit of exaggeration. She is a little concern that if we continue as we are, we are going to turn our waterfront into a business park rather than active mixed uses. She suggested that at this point or shortly thereafter, we can take a longer look at exactly what we are putting on the waterfront and where we might improve it a little bit.

Commissioner McCarthy commented that the Port received very good responses to the RFP. She thanked the developers for their proposals. She also thanked staff for all their efforts and hard work from the conception of the RFP to finally bringing it to the Commission for approval. The process is a long and arduous task.

Commissioner Brandon indicated that the Port is very fortunate to receive numerous respondents to the RFP which makes it difficult for the staff and the Commission to choose one proposal over the others. She also thanked the developers and staff for their time and effort. She thanked Denise Conley who led the team responsible for analyzing the proposals.

Simon Snellgrove echoed the comments that the Commission made. The process was extraordinary because of the clarity, the vision and the professionalism of the Director and staff (Alec Bash leading the charge) throughout the process. He expressed their appreciation for the clarity and professionalism of the group.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. Resolution No. 01-05 was adopted.

C. Informational presentation on the proposals submitted in response to the Request for Proposals for the Piers 27-31 Mixed Use Recreation Development Project located on the Embarcadero between Greenwich and Bay Streets.

Kirk Bennett, Waterfront Development Project Manager, presented the informational item. He indicated that Chelsea Piers and the Mills Limited Partnership will be presenting their proposals to the Commission. Port staff prepared an informational package which outlined the development concepts and the development programs proposed by the two respondents. Staff also added a matrix summarizing the rent proposals. Mr. Bennett noted that the information was taken from the two written proposals submitted using the wording, description, sizes and projections made by the proposers. It does not reflect any additional clarifying information from the respondents or evaluations by the Port staff. Port staff with the assistance of an independent consultant team led by Bay Area Economics has commenced its review

and evaluation of the two proposals, utilizing the selection criteria indicated in the RFP. Port staff and the consultant team anticipate requesting additional clarifying information from and conducting interviews with the respondents. Staff anticipates making a recommendation to the Port Commission in March 2001 authorizing staff to enter into exclusive negotiations with one of the two respondents.

Mr. Bennett indicated that the Port's primary goals for the Recreation Project are stated in the following Mission Statement for this development opportunity:

"The goal of this development is to create a unique and inviting waterfront mixed-use Recreation Project, integrating a varied mix of maritime and commercial uses and open space, including a major public plaza, oriented around active recreational pursuits. This mixed-use Recreation Project will provide a venue for all San Franciscans and Bay Area residents to actively participate, individually or as groups, in diverse amateur recreational sports, physical fitness and related activities while enjoying the Recreation Project's scenic waterfront setting. The major public open space, the Northeast Wharf Plaza, will be a city and regional resource. The plaza and the other open spaces included in the Recreation Project will create opportunities for engaging in and viewing active recreational activities while enjoying expansive Bay views. New opportunities for recreational boating and other water uses will be created, and maritime berthing compatible with the adjacent new uses at Pier 27 will continue, including temporary ceremonial ship berthing and 'port of call' cruise ship berthing.

"The Recreation Project will have a quality design that is authentic to the rich historic maritime industrial character of the Northeast Waterfront. The Recreation Project will be designed to respect this character, to create a focal point for new activity on the Northeast Waterfront, and to maximize public access to and enjoyment of the Recreation Project's spectacular waterfront setting."

The advisory group in putting together the Waterfront Plan observed what's noteworthy about this project. The advisory group felt that this project uniquely met all eight of the goals of the Waterfront Plan: (1) reuniting the City with the waterfront; (2) a working waterfront; (3) a revitalized Port; (4) diversity of activities & people; (5) access to and along the waterfront; (6) an evolving waterfront mindful of its past and its future; (7) urban design worthy of waterfront setting; and (8) economic access that reflects the diversity of San Francisco. This RFP responds to the recreational needs of the community.

The development concept included in the RFP was formulated to meet the recreational goals and needs. The development concept was created with the input and the guidance of the northeast waterfront group. The development concept that was formulated includes planning, open space, design, financial objectives as well as stating required, encouraged and permitted uses. The amended development was adopted by the Port Commission in August 2000 and was incorporated into the RFP.

Mr. Bennett acknowledged the following members of the advisory group for their time and effort in helping Port staff with the RFP: Anne Halsted, Stewart Morton, Nan Roth, Toby Levine, Jennifer Clary, Joe Wyman and Eva Lieberman.

Tom Bernstein, President of Chelsea Piers, gave a brief presentation about the team's background and introduced the members of their team.

Roland Betts, Chairman, gave a presentation on their proposed plan for Piers 27-31 and showed a slide presentation, a simulated tour of the piers. He also spoke about the financing for the project.

Sandy Hoeffer of Western Athletic Clubs, spoke about the Club's involvement in the project and gave a brief presentation on their programs and what they can offer to the project.

Sylvia Kwan, Kwan Henmi Architects, spoke briefly about the architectural plan for Piers 27-31.

Jim Dausch, Senior Vice President of the Mills Corporation, introduced members of their team, gave a brief presentation about Mills Corporation and their partnership with YMCA and the financial aspect of their project.

Chuck Izzo of DAIQ presented the design components of the Piers 27-31. Architect Michael Willis presented the architectural features of the project.
Martie Bolsinger of the YMCA, spoke about YMCA's program, their involvement with the community and the benefits they can offer to the project.

The following individuals supported the Mills Limited Partnership proposal:

- Tim Hettrich, SFPD Acting Chief of Administration
- Keena Turner, Mills, Corporation
- Michael Janis, YMCA
- Mark Press, YMCA Camp Jones Gulch
- Arthur Hurwith, YMCA
- Alan Low, YMCA
- Angelo King, Southeast Neighborhood Jobs
- Ruth Asawa, Mills/Artists
- Connie Cordero, YMCA
- Steven Hankins, YMCA

The following people supported the Chelsea Piers proposal:

- Chris Duderstadt, Ground Sports
- James Steyer, JP Kids, Children Now
- Bobby Guillory, ILWU
- Wendy Haney, Marina Middle School
- Ernestine Weiss

Anne Halsted, NEWAC/SPUR, did not endorse any team but asked the Commission to be mindful of the goals and objectives of the project.

Jennifer Clary, SF Tomorrow, did not endorse any team as she has questions about the teams' proposals. She relayed David Miles Jr. of the CA Outdoor Rollerskating Association's message that he would like in-line skating at Pier 27-31.

Roland Betts indicated that they look forward to a fair process and given the opportunity, they will do a great job for the Port and the City.

Commissioner Brandon commented that it would be a difficult task to select from the two respondents as they both have excellent proposals. Staff will be working with the consultants to evaluate the proposals. She thanked all the presenters for their excellent presentations.

7. NEW BUSINESS / PUBLIC COMMENT

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

Commissioner Brandon announced that the Commission will be holding its Executive Session meeting in the Ferry Building.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 8:10 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 45, Shed A
Person Negotiating: Port of San Francisco: Byron Rhett, Director, Planning & Development
*Malrite Group: Dennis Barrie

b. Property: Southern Half of Assessor's Block 202, north of Clay Street extension and Justin Hermann Plaza between The Embarcadero and Drumm Street
Person Negotiating: Alec Bash, Waterfront Planner--Special Projects

c. Property: South Beach Harbor, Pier 40
Person Negotiating: Port of San Francisco: Theresa Picon, Real Estate Director
*Dolph Rempp Sailing Ship: Dolph Rempp

d. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

e. Property: Western Pacific Property @ 25th & Illinois
Person Negotiating: Port of San Francisco: Mark Lozovoy, Principal Real Estate Manager
*Municipal Railway: Kerstin Magary

9. RECONVENE IN OPEN SESSION

At 10:07 p.m., the Commission reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor.

10. ADJOURNMENT

The meeting was adjourned at 10:07 p.m.

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., JANUARY 23, 2001
FERRY BUILDING, SUITE 3100, S.F. 94111

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AGENDA

01-19-01P03:51 RCVD

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - January 9, 2001 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **MARITIME**

   A. Informational Presentation on results of pilot program of Lubrizol Corporation and Pacific Cement Company regarding use of Diesel Fuel additive PuriNox to reduce truck and heavy equipment emissions on Southern Waterfront. (Verbal Report)

5. **ENGINEERING & MAINTENANCE**

   A. Authorization to advertise Contract No. 2668, Pier 43-½ Arch Repair Project. (Resolution No. 01-06) (Staff report provided to the Commission.)

6. **FINANCE**

   A. Approval of the Port's 2001/02 Operating Budget. (Resolution No. 01-07) (Staff report provided to the Commission.)

7. **NEW BUSINESS / PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (2 cases).
X As Defendant X As Plaintiff

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Marine Terminals Corporation: Jim Wiltshire

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 80.

b. Property: 601 Cesar Chavez Street
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Finer's Diner: Steve Finer, President
*Cliff's Barbecue & Seafood: Clifton Turner, Owner

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations regarding Port property located at 601 Cesar Chavez Street.

c. Property: Western Pacific Property @ 25th & Illinois
Person Negotiating: Port of San Francisco: Mark Lozovoy, Principal Real Estate Manager
*Municipal Railway: Kerstin Magary

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding the Western Pacific Property @ 25th & Illinois.

d. Property: Southern Half of Assessor's Block 202, north of Clay Street extension and Justin Hermann Plaza between The Embarcadero and Drumm Street
Person Negotiating: Alec Bash, Waterfront Planner--Special Projects

Under Negotiation: __Price __ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for subsurface portions of Real Estate Department property in the southern half of Assessor's Block 202, north of

Clay Street extension and Justin Hermann Plaza between The Embarcadero and Drumm Street.

e. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations with San Francisco Cruise Terminal LLC regarding the Bryant Street Pier Project.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

10. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's web site at www.sfport.com.

JANUARY/FEBRUARY 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
January 23	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
February 13	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

(Please note the location of the meeting) Effective February 27th, the Port Commission meetings will be held in the Bayside Conference Room at Pier One.

February 27	4:00 p.m.	Port Commission	Bayside Conference Room Pier One

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***Effective February 27th, the Port Commission meetings will be held in the Bayside Conference Room at Pier One.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website

Check out the Port's Website at **www.sfport.com.**

Questions/Contacts

Fisherman's Wharf Waterfront Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Shawna Horde	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm). There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

January 17, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Advertise for Competitive Bids for the Pier 43 Arch Repair Project, Contract No. 2668

DIRECTOR'S RECOMMENDATION: TO APPROVE THE REQUEST TO ADVERTISE FOR COMPETITIVE BIDS FOR THE PIER 43 ARCH REPAIR PROJECT

On July 14, 1998, a fire caused extensive damage to the arch structure at Pier 43. Due to concerns with the structural stability of the arch and public safety, Port staff recommended a declaration of emergency for the Pier 43 Arch. On August 11, 1998, through Resolution No. 98-73, the Port Commission ratified the declaration of emergency for the Pier 43 Arch and authorized Staff to direct outside contractors to commence emergency shoring, partial demolition and engineering investigation of the fire-damaged arch structure.

On December 15, 1999, Biller/McCoy Builders, Inc. completed the Pier 43 Arch emergency disassembly and shoring construction work. The Port's engineering division and the consulting firm Architectural Resources Group, recently completed the plans and specifications necessary to bid the construction of the Pier 43 Arch Repair, Construction Contract No. 2668. The project scope of work will be divided into a base bid and four alternate bid items. The base bid scope includes executing the fire repair work; the first three alternates include seismically strengthening the arch and repairing/replacing specific, rotted framing members. The fourth alternate includes removing the large counterweights within the Arch to alleviate the seismic loading on the structure. The Port's insurance company will be funding the fire repair work as the base bid contract. Port capital project monies will fund the alternate scopes of work.

Therefore, this project is necessary to proceed with the final phase of fire-repair work at Pier 43. Port Staff requests authorization to advertise for competitive bids for this construction project (Contract No. 2668) for repairs to the Pier 43 Arch, as outlined above.

Prepared by: Nita Mizushima, Chief Harbor Engineer

This Print Covers Calendar Item No: 5A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-06

WHEREAS, On July 14, 1998, a fire caused extensive damage to the historic ferry slip arch structure at Pier 43; and

WHEREAS, the arch is a historically significant landmark; and

WHEREAS, the Port's engineering staff and consultant, Architectural Resources Group, have completed contract documents for the repair and seismic strengthening of the arch structure; and

WHEREAS, the estimated cost of the repair work and the seismic strengthening work is approximately $900,000; and

WHEREAS, the Port's insurance carrier has agreed to fund the fire repair work (as the base bid contract), and Port capital project monies will fund the seismic strengthening work (as alternate bid items); and

WHEREAS, Port staff seeks authorization to proceed with competitive bidding for this final phase of construction work to repair the fire damage at the Pier 43 arch; now, therefore, be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port Staff to Advertise for Competitive Bids for the Pier 43 Arch Repair Project, Contract No. 2668.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 23, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 23, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Fiscal Year 2001/02 Operating Budget

DIRECTOR'S RECOMMENDATION: Approve Annual Operating Budget for Fiscal Year 2001/02

The purpose of this item is to request Commission approval of the proposed Fiscal Year 2001/02 operating budget. Following Commission approval, the budget will then be reviewed by the Mayor's Office, which will submit the budget to the Board of Supervisors by May 31, 2001. The Board will give final consideration to the budget on or before August 27, 2001.

The proposed Fiscal Year 2001/02 Operating Budget is summarized as follows:

	2000/01	2001/02	Increase/ (Decrease)	Percent
Revenue	$45,916,000	$50,516,000	$4,600,000	10.0%
Expense	45,013,905	50,345,064	5,331,159	11.8%
Surplus	$902,096	$170,936	($731,160)	(81.1%)

THIS PRINT COVERS CALENDAR ITEM NO. **6A**

Revenue

The proposed revenue budget of $50.5 million for FY 01/02 reflects a $4.6 million increase or 10.0% over the prior fiscal year. Projected revenues for FY 01/02 are as follows:

	2000/01	2001/02	Increase/ (Decrease)	Percent
Cargo	$2,938,000	$2,977,000	$39,000	1%
Ship Repair	800,000	1,250,000	450,000	56%
Harbor Services	845,000	915,000	70,000	8%
Cruise	523,000	585,000	62,000	12%
Fishing	1,422,000	1,506,000	84,000	6%
Other Marine	1,305,000	1,350,000	45,000	3%
Commercial/Indust. Rent	27,894,000	31,078,000	3,184,000	11%
Parking	6,855,000	7,060,000	205,000	3%
Filming	100,000	100,000	0	0%
Special Events	150,000	150,000	0	0%
Miscellaneous	50,000	50,000	0	0%
Facilities & Permits	255,000	811,000	556,000	218%
Negotiation Fees	250,000	205,000	(45,000)	(18%)
Interest & Penalties	2,529,000	2,479,000	(50,000)	(2%)
Total	$45,916,000	$50,516,000	$4,600,000	10%

The major changes in the FY 01/02 revenue budget compared to the prior fiscal year are in Ship Repair, Commercial/Industrial Rent, and Parking as a result of the following:

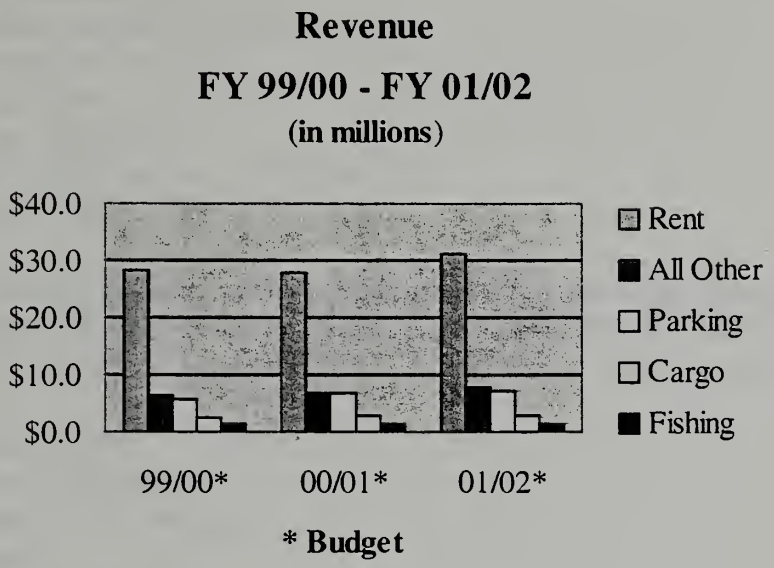
- Ship Repair revenue is projected to increase $450,000, or 56%, based on a amendment to the agreement with San Francisco Drydock in February 1999.

- Commercial and Industrial Rent is projected to increase $3,184,000, or 11%. This is the net effect of a $2,466,000 increase in base rent and a $718,000 increase in rent from percentage leases. This increase includes a full year ground rent payment of $1,352,000 from AMB under the Pier 1 lease. In FY 00/01 this revenue was offset by the Port sublease from AMB and shown as a net expense. Additional leasing and higher rental rates results in increases at Pier 27/29 of $312,000 and Pier 31 of $414,000; interim leasing in the vicinity of Piers 80 and 94/96 area results in an increase of $302,000. Percentage rent is projected to increase due primarily to continued increases in tenant sales.

- Parking revenue is projected to increase $205,000 in fiscal year 2001/02 with increases in both parking meter collections and parking rent, offset by a reduction in Port operated monthly parking stalls. Parking meter revenue increases of $120,000 are primarily due to increased collections from existing meters which have benefited from the installation of electronic locks. Decreases of $176,000 in parking stall revenues results from the elimination of parking stalls at Pier ½, Pier 3 and Pier 27/29. Parking rent is projected to increase by $261,000 primarily because of increased demand and increased utilization at public lots.

- Facilities & Permits revenue is estimated to increase by $556,000; of which $550,000 is expected from permit fees for the Ferry Building project.

Revenue for a three year period is as follows:



Expense

The proposed FY 01/02 expense budget of $50,345,064 million is a $5,331,159 million increase or 11.8% over the prior fiscal year. The expense summary for FY 01/02 is as follows:

	2000/01	2001/02	Increase/ (Decrease)	Percent
Salaries & Benefits	$19,889,559	22,232,186	$2,342,627	12%
City-wide Overhead	508,541	523,797	15,256	3%
Other Current Exp.	4,624,733	6,693,671	2,068,938	45%
Materials & Supplies	1,848,769	2,137,373	288,604	16%
Fixed Charges	432,860	326,525	(106,335)	(25%)
Capital Outlay	1,101,900	1,187,925	86,025	8%
Facilities Maintenance	499,400	802,900	303,500	61%
Debt Service	9,089,466	8,870,546	(218,920)	(2%)
Insurance	750,000	750,000	0	0%
City Attorney	1,479,000	1,628,000	149,000	10%
Fire Protection	1,552,500	1,552,500	0	0%
Workers Comp.	300,000	325,000	25,000	8%
Light, Heat & Power	967,400	957,700	(9,700)	(1%)
Parking & Traffic	276,465	289,238	12,773	5%
Other Services	1,693,312	2,067,703	374,391	22%
Total	$45,013,905	$50,345,064	$5,331,159	12%

The major changes in the FY 01/02 expense budget over the prior fiscal year are in Salaries & Benefits, Other Current Expenses, Materials & Supplies, Facilities Maintenance, City Attorney and Other Services as a result of the following:

- Salaries & Benefits are projected to increase $2,342,627, or 12%, as a result of the following additional incremental expenses:
  - Fifteen new positions: $971,120
  - Ten reclassified positions: $66,665
  - Temporary Salaries: $57,822
  - Overtime: $36,349
  - Premium Pay: ($26,494)
  - Adjustments: MOU, step, etc.: $721,694
  - Fringe Benefits: $515,473;

  The draft budget book included ten new positions, two in Maritime, three in Operations and five in Engineering & Maintenance. Staff is recommending five additional positions in Engineering & Maintenance in the amount of $302,810. The positions are:

  - 7514 General Laborer
  - 7334 Stationary Engineer
  - 7395 Ornamental Iron Worker
  - 7344 Carpenter
  - 5266 Architectural Associate II

- Other Current Expenses are projected to increase $2,068,938 or 45%. This increase is primarily attributable to Rents & Leases for the cost of the Port sublease for office space at Pier 1. In FY 00/01 the lease revenue from the developer and the expense for the Port office space were budgeted at the net number. In FY 01/02 budget, the revenue and expense items are reported separately. The budgeted expense for FY 01/02 for a full year at Pier 1 is estimated to be $1,836,608 in rent, $159,392 for tenant improvements, and $562,600 in pass through expenses for a total of $2,558,600. (A net expense of $455,000 was budgeted in FY 00/01 for six months; the net expense for FY 01/02 will be $1,206,600 for a full year occupancy.)

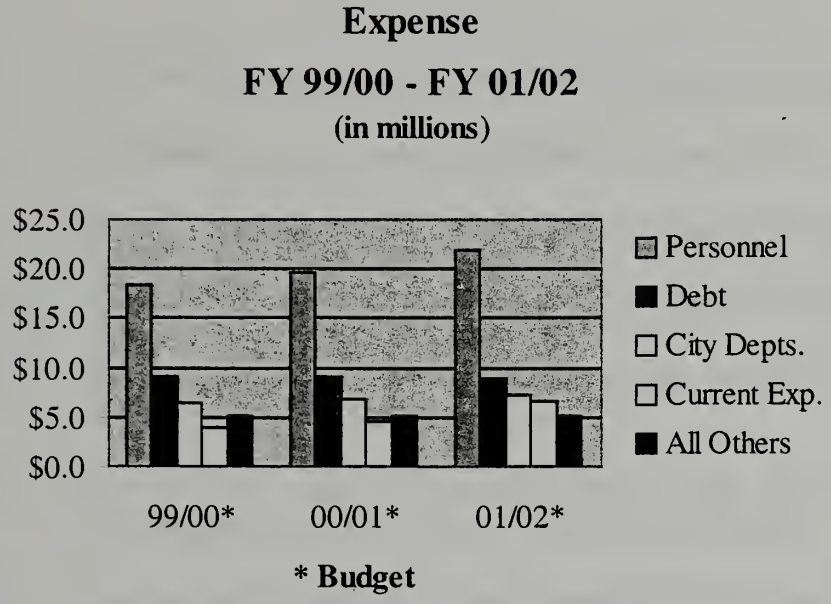
- Materials & Supplies are projected to increase $288,604 or 16%, primarily due to additional supplies of $194,154 for Maintenance and $101,000 for Information Services.

- Capital Outlay is projected to increase by $86,025, or 8%, due to an increase of $285,000 for replacement vehicles (18 vehicles at $560,000 in 2001/02 vs. 13 vehicles at $275,000 in 2000/01), an increase of $40,000 for two new vehicles in Real Estate, a decrease of $134,000 in computer equipment and a decrease of $104,075 for Maintenance.

- The services of the City Attorney's Office will increase by $149,000, or 10%. These additional costs result from the increased number of development projects the Port is undertaking.

- Other Services increased $374,391, or 22% primarily as a result of $385,000 budgeted for the Department of Building Inspection for building inspection services for the Ferry Building development project.

Expense for a three year period is as follows:



Port staff recommends that the Commission adopt the annual operating budget and authorize the Executive Director to make non-material changes to the budget as may be necessary. Non-material changes are generally technical adjustments to the budget, not policy changes. Examples of non-material changes include updates to the budget for salaries and fringe benefits as City-wide MOU's are finalized or adjustments to work order amounts with other City departments as cost estimates are finalized. Once the Mayor's Office and the Board of Supervisors finalize the budget, staff will report to the Commission regarding the adopted budget, detailing all changes made by staff, the Mayor and the Board.

Prepared by: Benjamin A. Kutnick

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-07

WHEREAS, staff has developed a Fiscal Year 2001/02 operating budget; and

WHEREAS, the operating budget includes projected revenues of $50,516,000; and

WHEREAS, the operating budget includes projected expenses of $50,345,064; and

WHEREAS, the operating budget includes a projected surplus of $170,936; and

WHEREAS, the operating budget must also be approved by the Mayor and the Board of Supervisors; now therefore, be it

RESOLVED, that the Port Commission hereby approves the Fiscal Year 2001/02 operating budget as presented by staff; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director to make non-material changes to the operating budget as may be necessary.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 23, 2001.

_____
Secretary

SAN FRANCISCO
PORT COMMISSION

JANUARY 23, 2001
MINUTES OF THE REGULAR MEETING

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MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JANUARY 23, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:03 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2. APPROVAL OF MINUTES - January 9, 2001 Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. The minutes of the January 9, 2001 meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report

Mr. Wong reported that Port staff is working diligently to prepare two RFPs for the Pier 70 Opportunity Area (one for non-profit arts project and one for the development of the remainder of the opportunity area). Staff has requested a meeting with the State Lands Commission staff for mid-February to discuss trust issues on the site. An executive session is scheduled for the next Commission meeting in order for staff to seek direction from the Commission regarding the issuance of the RFP/Qs. Staff intends to seek Port Commission approval to issue the RFP/Qs at the Commission's second meeting in February. Both RFP/Qs are scheduled for release no later than March 31st. The Planning & Development staff have adjusted their work assignments to meet this schedule.

Commissioner McCarthy proposed that the Commission not meet with the potential developers for Pier 27-31 until after the Commission received a briefing from the consultant or staff.

Commissioner Lee indicated that some of his friends have already called him asking from some information and have scheduled meetings with them.

Noreen Ambrose, General Counsel, opined that since this item is not on the agenda, the Commission could not engage in a discussion. She suggested that the Commission put this item on the next meeting agenda for discussion and/or action. Commissioner McCarthy requested that this item be calendared for the next meeting.

4. MARITIME

A. Informational Presentation on results of pilot program of Lubrizol Corporation and Pacific Cement Company regarding use of Diesel Fuel additive PuriNox to reduce truck and heavy equipment emissions on Southern Waterfront.

Mr. Peter Dailey, Maritime Director, indicated that diesel truck emissions is an issue of great concern to the Port as diesel trucks transport the majority of cargoes to and from marine terminals. The communities and the Port are working together toward minimizing the environmental impact of diesel pollution while attempting to protect the positive economic impact that the shipping industry generates. As the Port Commission is aware, the impact of diesel trucks is an issue that Port staff and the San Francisco community is dealing with as we work towards developing our maritime industries in the southern waterfront. The Commission and the staff has been pro-active in assisting its maritime tenants to explore and finance alternative or low emission fuels to minimize its impacts on the environment. There's much work to be done but progress is being made both local and national level. Last month, the Federal EPA announced sweeping regulations that would result in significant reductions or pollution from heavy-duty diesel trucks and busses. According to EPA's new regulation, it will result in the cleanest running heavy-duty trucks in history. Last week, EPA also announced new regulations to regulate pollutants from ships running marine diesel engines. Unfortunately, it would take a significantly lead time for the new EPA rules for truck engines and diesel fuel to be replaced. Provisions for cleaner diesel fuels will go into effect 2006 and new diesel engine modification requirements will be introduced in 2007. The Port and its customers cannot sit and wait for the new rules to take effect. Last March, Pacific Cement informed the Commission about a pilot program that they had undertaken with the Lubrizol Corporation to utilize the PuriNox performance system which reduces exhaust emissions. At that time, the Commission asked Pacific Cement to report on the results of the pilot program. Mr. Ramirez and Mr. Gemmel will report on the results of the pilot program using the diesel fuel additive, PuriNox.

Rick Ramirez, President of Pacific Cement, indicated that a year and a half ago, he made a commitment to the Port and the Bayview Hunters Point community, to undertake a pilot program on clean fuels. They were able to work with the Lubrizol Corporation on a product called Purinox. The pilot program has been completed and Mr. Gemmel will present the test results of the pilot program.

John Gemmel, Lubrizol Corporation representative, indicated that in March 2000, he introduced the PuriNox fuel technology and explained how Lubrizol Corporation and Pacific Cement wanted to pioneer its use to improve air quality at the Port. He provided the Commission a copy of the Pacific Cement/PuriNox Fuel Pilot Program test results. PuriNox Fuel is formulated from a special chemical added package: water, commercially available diesel fuel and when required in colder climates, antifreeze agents. These ingredients are combined in a proprietary blending process that involves precision liquid to liquid metering, high pressure mixing to form a stable water and diesel fuel motion that looks similar to skim milk. PuriNox fuel simultaneously reduces both nitrogen oxide and particulate emissions. On average, nitrogen oxide emissions are reduced by 20%; particulates are reduced by 40%. The specific emission reductions observed depend heavily on the specific vehicle, engine type and duty cycle involved. The NOX in particulate emission reductions will range from 5 –30% and

particulates by 20-50%. Purinox fuel is a feel-and-go technology. Its emission reduction benefits can be realized immediately. It requires no significant capital investment to initiate because it could be filled directly into existing vehicle tanks and it can be stored and distributed in existing facilities. Its physical properties and handling characteristics are similar to conventional diesel fuel and it's safer to use than gaseous fuel such as compressed natural gas because it is not stored or handled under any pressure.

The program has progressed significantly since it was introduced to the Commission last March. In Europe and North America, there are five PuriNox blender units operational with more being planned for 2001. As of December 2000, there were over a hundred vehicles operating successfully on PuriNox fuel around the world and over 500,000 miles accumulated. The Houston/Galveston area is a severe ozone non-obtainment area. PuriNox fuel is currently playing a key role with the Port of Houston in improving air quality. They have accumulated in excess of 9,000 successful hours of equipment operation on assorted mix of yard tractors and yard cranes. In the Bay Area, additional demonstrations for PuriNox fuel are planned for the Golden Gate Ferry District and the Port of Oakland. During the first quarter of 2001, they expect official certification of PuriNox fuel by the CA Air Resources Board.

The pilot program with Pacific Cement was comprised with two components. Component one was an operability demonstration to verify that Pacific Cement vehicle fleet would operate successfully on PuriNox fuel. In June 2000, they have successfully accumulated almost 25,000 operational miles of PuriNox fuel in the two vehicle types that represented the Pacific Cement fleet. The PuriNox fuel involved in this operability demonstration was supplied by their blender distributor partner, Ramos Oil in Dixon, CA. No vehicle operability difficulty or duty issues were observed. Based on the results of the operability demonstration, a temporary storage container has been switched out for a larger storage tank so they can accommodate a larger number of vehicles operating on the PuriNox fuel.

The second component of the pilot program was an emissions test to verify that the Nitrogen oxide and particulate reductions expected for PuriNox were valid. The emissions test was conducted the week of December 4. It involved the freight liner tractor vehicle with the Cummins NTC 300 engine. The emissions test was conducted at the Clean Air Vehicle Technology Center also known as CAVTC. CAVTC is a dynamometer laboratory located in Richmond, CA. It is one of six facilities qualified in North America to measure transient emissions. Both CA Air Resources Board and the US EPA recognize CAVTC. The emissions generated by CAVTC are accepted by both regulatory agencies. CAVTC, on behalf of the air resources board, manages the ARB emissions test laboratory in Los Angeles. The test cycle that was used for the emissions test was the US EPA commuter cycle which is a federal test procedure which simulate transient on highway operation. This cycle is very representative of the actual freight liner vehicle duty.

In comparison to CARB diesel fuel, PuriNox fuel reduced nitrogen oxide by 10%; total hydrocarbon emissions by 31%; the combination of NOx plus THC by 12% and particulate emissions by 51%.

Considering the proposed escalation of construction activity, what would the results of the pilot program mean for air quality in the Bayview Hunters Point community and for reducing the amounts of polluting emissions that contribute to respiratory diseases such as asthma, bronchitis and a potential carcinogen. To answer that question, they extrapolated the emissions test results from CAVTC in this pilot program to model the NOx and particulate emission levels for both the current estimated construction activity and proposed estimated construction activity.

The California's Carl Moyer's program is a state sponsored and state funded emissions reductions program. The guidelines for this program offer an emission calculator that involves horsepower rating, annual operating and load factors. Engine baseline emissions value from model to year. Each several years, the emission standards get tighter and new engines emit on a mass basis lower levels of emissions than older ones do. The CAVTC measurements were used to extrapolate the data. The scope for the current activity of construction in the community was estimated by assuming that 350 average HP engine operating 200 hours per day and a proposed activity scope was estimated by assuming the same average horse power engine but operating at double the number of hours per day. The results of this modeling are presented in the appendix of the handout.

To summarize the conclusions of this pilot program with Pacific Cement, PuriNox fuel is indeed a simple "fill & go" easy to implement mitigation technology. There are no vehicle operability issues. They demonstrated emission reductions of 10% for NOx, 51% for particulates. Through the extrapolation of data and to model what would be going on a mass basis to the community, they feel that at the proposed activity level of construction, NOx emissions would be reduced by 17 tons a year and particulate emissions would be reduced by 8 tons a year.

Ron Palmer, Caterpillar Company, indicated that they have been working with RMC Pacific Materials on a very focused effort to reduce pollution and emission from diesel engines. With the new engines, they have volunteered to run the very first prototype for 2002. They have looked at PuriNox fuel and concluded that it would be an appropriate approach to take to reduce the emissions of the existing older model trucks. They are in the process of getting that program started with RMC.

Marina Secchitano, Inland Boatmen's Union, indicated that Pacific Cement was allowed to avoid the SEIR project. She wanted to make sure that the other firms in the same business that operate larger facilities are bound by the SEIR. One of the issues that she would like the Commission to look into is when an exemption is granted, it would be based on the aggregate being brought in by barge. Smaller operations have yielded 12,000 cu. yds. a year but are going through the SEIR process while Pacific Cement exceeded 55,000 cu. yds. and were exempted. She asked the Commission to look into this matter.

Commissioner Brandon indicated since this presentation is about the PuriNox fuel, the Commission cannot comment on the issue she raised but referred her to Peter Dailey to discuss her concerns.

In response to Mr. Rick Ramirez's request to address Ms. Secchitano's concerns, Legal Counsel Noreen Ambrose opined that since this item is not on the agenda, it is not open for discussion. She suggested that Mr. Ramirez' lease, with the Commission's approval, be calendared for the next meeting or discuss with Peter Dailey the issues that were raised by Ms. Secchitano.

Commissioner McWilliams requested that this item be calendared for discussion at the next meeting.

Mr. Peter Dailey indicated that the purpose of this meeting was not to give anybody an advantage or disadvantage. Staff is aware of the participants of the SEIR and attuned to their concerns and to the fairness of the process. Staff is also aware of the issues and allegations. Mr. Dailey will meet with Ms. Secchitano and Mr. Ramirez to address their concerns.

Commissioner Brandon thanked the presenters and indicated that the community is grateful for their efforts in reducing the diesel emissions. She was also glad to hear that RMC Lonestar is also looking into the use of PuriNox fuel in their operation.

5. ENGINEERING & MAINTENANCE

A. Authorization to advertise Contract No. 2668, Pier 43-½ Arch Repair Project. (Resolution No. 01-06)

Ms. Nita Mizushima, Acting Chief Harbor Engineer, presented the item and requested Commission's approval.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. Resolution No. 01-06 was adopted.

6. FINANCE

A. Approval of the Port's 2001/02 Operating Budget. (Resolution No. 01-07)

Mr. Ben Kutnick, Director of Finance, presented the item and requested Commission's approval of the next fiscal year's budget.

Jennifer Clary, San Francisco Tomorrow, indicated that since the document presented to the Commission was a general overview of the budget, she asked for the following:

- Itemization of the Port revenues.
- Itemization of each development project.
- Line item for the $2 million funding for the public access agreed upon by the Port and BCDC.
- Schedule of the Capital Plan Presentation.
- Itemization of maritime and non-maritime expenses under the capital plan.
- Amount of current Port surplus.
- Number of new positions.

Mr. Kutnick replied that the amount of surplus the Port keeps in the bank is equivalent to 25 percent of its annual operating expense budget which is approximately $11.2 million; the rest goes towards capital improvements. The capital plan budget will be presented at the Commission's second meeting in February. The $2 million funding for the public access is included in the Capital Plan. The draft budget book included ten new positions, two in Maritime, three in Operations and five in Engineering & Maintenance. Staff is recommending five additional positions in Engineering & Maintenance.

Commissioner Brandon suggested that Mr. Kutnick provide Jennifer Clary the itemized expenses that she requested.

Commissioner Lee asked if funds are available to hire inspectors to make regular inspections of the piers. Regular inspections are needed to avoid another Wharf J-10 problem. Piers will be repaired instead of condemned. Commissioner Lee wanted to ensure that the piers are safe and funds are made available to repair them.

Commissioner Brandon asked Mr. Kutnick to discuss the 15 additional positions, the majority of which will be under Engineering & Maintenance.

Mr. Kutnick replied that included in the 15 new positions are two civil engineers that would be responsible in addressing maintenance concerns and inspecting the piers on a regular basis. Included in the Capital Plan is additional funding for condition surveys.

Ms. Nita Mizushima indicated that they are looking at putting together a program to review the entire 7-½ miles of waterfront properties and determine which areas are priority, starting with the ones the Port is responsible for. They are working with the Finance Division to establish that budget. They will also work with the maintenance group and set up a program once the conditions of the piers are determined.

In response to Commissioner Lee's inquiry about the completion of the report, Ms. Mizushima hoped to have an overall program laid out within the next six months.

Mr. Kutnick added that in addition to the two new civil engineers, there will be a maintenance manager responsible for maintenance scheduling and facilitating the facilities management system.

Commissioner McWilliams asked Mr. Kutnick to talk about the budget process and what it entails. The Port is an enterprise agency and its budget does not come out of the general fund. The Port needs to strongly advocate for the positions to be filled since they will ultimately save the Port a lot of money. He asked the Commission and staff to advocate that this budget gets implemented to give the employees tools to do their job.

Mr. Kutnick indicated that the City's budget process lasts about 11-½ months. In 1993-94, the Port was losing money. Several shipping lines left the Port and the Port was forced to cut its workforce from 245 budgeted positions to 209. The Port has since been fairly conservative in adding positions in the budget over the years.

In terms of the process, the budget will be reviewed by the Mayor's office. The Mayor delivers the budget to the Board of Supervisors on June 1st. The Finance Committee holds hearings the second and third week of June. The budget goes to the full board in July and should be approved by the beginning of August. The Mayor's office for the last several years has not been active in the Port's budget. They are generally concerned about positions rather than the money, which has been difficult over the years. There have been years where they cut positions and some years, they didn't. The Port's budget does not come out of the General Fund; there is no detriment to the City. Staff does its best to get the positions approved by the Mayor's office and the Board of Supervisors. He asked the Commission if they get an opportunity to talk to the Board of Supervisors Finance Committee and advocate for the positions, it would be extremely helpful.

Commissioner Hardeman indicated that the Commission wholeheartedly supports staff's recommendation.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. Resolution No. 01-07 was adopted.

7. NEW BUSINESS / PUBLIC COMMENT

Corinne Woods, representative of the Pier 70 CAC & Bayview Boat Club, was delighted with Mr. Wong's report that Port staff is aiming to get the RFP out by the end of March. Anne Cook mentioned in their meeting that the major reason for the delay is that the trust issues have to be resolved. Port staff is meeting with State Lands staff in mid-February. She was asked by the co-chairs Toby Levine and John Borg to urge the Commission and staff to start working on the RFP even before State Lands issues are resolved. They also recommend that the Commission look at the idea of two RFPs as it would make more sense. One RFP would enable a better coordination of various sites. Depending on what happens with the State Land issues, one RFP might make it easier even if we would have to have a non-profit, for profit joint venture.

Corinne Woods reported that they attended the CA Boating & Waterways Commission meeting and advocated for the grant for the new boat launch at China Basin. Cal Boating allocated $1,023,000 for the new boat launch. She asked the Commission to move forward with this project as soon as possible.

Ella King Torrey, President of the San Francisco Art Institute and representative of the Pier 70 Arts Consortium, thanked the Commission for their vision. She thanked the Executive Director and staff for their hard work in accelerating the issuance of the Pier 70 RFP and looked forward to working with the Port. She encouraged the Commission to stay with the course that the Commission had previously determined regarding the two RFPs (1) for the non-profit arts and (1) for commercial. The non-profit arts organization feel strongly about being able to move forward on an RFP as a consortium. They would be happy to work, coordinate and collaborate with commercial developers. She thanked the Commission for their vision and their determination to help address the pressing issues of space for non-profit arts organization.

Curtis Smith, Joe Good Performance Group & Pier 70 Arts Consortium, echoed Ella King-Torrey's comments. They are excited about receiving the RFP as it is critically important to their organization as well as others. He thanked the Commission in having staff accelerate their schedule to accommodate the RFP.

Commissioner McCarthy clarified that the issuance of the RFP is in late March, not February.

Ernestine Weiss spoke about the emissions that boats on the bay generate. The Lubrizol Corporation would be helpful in reducing pollutants in the air. Ms. Weiss indicated that soil testing is being done at Block 202 with regard to the proposed garage for the Ferry Building. She asked about the test results and wondered if the Port is trying to get DPT to build the garage.

Noreen Ambrose suggested that Ernestine Weiss meet with the Executive Director after the meeting to address her concerns.

Jack Bair, San Francisco Giants, indicated that the Giants have signed up for the Chelsea Piers development team. Chelsea saw in them an organization that worked very effectively with the Port on a major waterfront development project and the Giants saw in Chelsea an innovative project that has a proven track record of success that would meet an actual need in San Francisco for its residents in a project that would enhance its community mission and involvement. The Giants is more than a professional sports team. The Giants together with the 49ers fund the after-school sports program for the City's public schools. They also have a program called the Junior Giants Program in which 8,000 youngsters in Northern California participate in a baseball league. They are excited to be a part of the project team and hope to be a part of another success story on the waterfront.

Eula Walters, Citizens for Open Space, opposed the Port's plan to build an underground garage at Block 202. She opposed the Commissioners meeting in private to discuss this item. She asked the Commission to give consideration to the people who live in the neighborhood. The Board of Supervisors will not vote on an underground garage. She asked the Commission to drop the issue of an underground garage at Block 202 and let them have the park. The Park enhances the Ferry Building, the Embarcadero Center, and the Golden Gateway Center. It increases the value of the property. The garage will ruin their neighborhood.

Commissioner Brandon indicated that the Commission has not been briefed on the underground parking garage and cannot comment on it at this time.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 5:15 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of California Government Code Section 54956.9 (2 cases).
X As Defendant X As Plaintiff

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Director of Maritime
*Marine Terminals Corporation: Jim Wiltshire

b. Property: 601 Cesar Chavez Street
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Finer's Diner: Steve Finer, President
*Cliff's Barbecue & Seafood: Clifton Turner, Owner

c. Property: Western Pacific Property @ 25th & Illinois
Person Negotiating: Port of San Francisco: Mark Lozovoy, Principal Real Estate Manager
*Municipal Railway: Kerstin Magary

d. Property: Southern Half of Assessor's Block 202, north of Clay Street extension and Justin Hermann Plaza between The Embarcadero and Drumm Street
Person Negotiating: Alec Bash, Waterfront Planner--Special Projects

e. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

9. RECONVENE IN OPEN SESSION

At 7:45 p.m. the Commission reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session; Commissioner McCarthy moved approval.

10. ADJOURNMENT

The meeting was adjourned at 7:45 p.m.

SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING – Please note the time of the meeting
3:00 P.M., FEBRUARY 13, 2001
FERRY BUILDING, SUITE 3100, S.F. 94111

FAREWELL RECEPTION FOR THE

FERRY BUILDING

(This is the last Port Commission meeting to be held in the Ferry Building until the renovation of the building is completed in mid-2002. Effective February 27, 2001, the Port Commission meetings will be held in the Bayside Conference Room at Pier 1.)

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SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., FEBRUARY 13, 2001
FERRY BUILDING, SUITE 3100, S.F. 94111

Due to the upcoming Ferry Building renovation, effective February 27, 2001, the Port Commission meetings will be held in the Bayside Conference Room at Pier 1.

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - January 23, 2001 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Consideration & possible action on the proposed policy requiring individual Port Commissioners to disclose outside communications with interested parties concerning matters pending before the Port Commission. (Resolution No. 01-08)

4. **MARITIME**

   A. Informational Presentation on proposed cruise terminal operations and marketing plan for Pier 30/32.

   B. Informational Presentation on status of proposed leases and uses in the Southern Waterfront. (Staff report provided to the Commission.)

5. **PLANNING & DEVELOPMENT**

   A. Informational Presentation on the Ferry Building Project. (Staff report provided to the Commission.)

   B. Informational Presentation on the Ferry Building Waterfront Underground Garage Project, southern portion of Assessor's Block 202, bounded by The Embarcadero, the Clay Street extension, and Drumm and Washington Streets. (Staff report provided to the Commission.)

   C. Informational Presentation of hotel development project at Broadway and The Embarcadero. (Staff report provided to the Commission.)

6. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

7. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) & (d) of California Government Code Section 54956.9:

- Tien Than Nguyen v. CCSF; Superior Court Case No. 300653
- F. Alioto Fish Co. v. CCSF, Port et al., Superior Court No. 318360
- Commercial and Interiors Construction, Inc., and CICO-R&W, a Joint Venture v. City and County of San Francisco, and related cross-actions; Santa Clara Superior Court No. CV 782855; and In re: September 27, 2000 Investigation by San Francisco Human Rights Commission re: Commercial Interiors & Construction, Inc., et al., (Action Items)

Approval of settlement of remaining litigation arising from Port construction contract 2616 (Pier 35 Passenger Terminal Escalator/Elevator) and construction contract 2594 (Ferry Building Seismic Repair) upon terms which include contractor's voluntary debarment from City public works contracts for a period of 5 years, in exchange for City's dismissal of claims for false claims and fraud. The debarment shall apply to contractor Commercial Interiors and Construction Inc., and its principals and related entities, and shall encompass the bidding and/or performance of any work as a prime contractor or subcontractor under any public works contract advertised or awarded by the City for 5 years.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager,

Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington
Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding the Bryant Street Pier Project.

b. Property: Piers 27-31
Person Negotiating: Port: Kirk Bennett, Manager, Waterfront Development Projects
*Chelsea Piers Management, Inc.: Roland W. Betts
*The Mills Corporation: Edward B. Vinson

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

c. Property: Pier 70 Opportunity Area
Person Negotiating: Port of San Francisco: Byron Rhett, Director of Planning and Development.

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to provide instructions to the real estate negotiator regarding issuance of the Pier 70 Opportunity Area RFP.

d. Property: 601 Cesar Chavez Street
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Finer's Diner: Steve Finer, President
*Cliff's Barbecue & Seafood: Clifton Turner, Owner

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 601 Cesar Chavez Street.

e. Property: Pier 45, Shed A
Person Negotiating: Port of San Francisco: Byron Rhett, Director, Planning & Development
*Malrite Group: Dennis Barrie

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Pier 45, Shed A.

f. Property: Pier 24-½ (Pier 24 Annex)
Person Negotiating: Port of San Francisco: Byron Rhett, Director Planning & Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations for Port property located at Pier 24-½ (Pier 24 Annex).

g. Property: Castagnola Restaurant @ Jefferson Street
Person Negotiating: Port of San Francisco: Theresa Picon, Director, Real Estate
*Castagnola Restaurant: General Lolli

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Castagnola Restaurant.

h. Property: Rincon Park Restaurants at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Byron Rhett, Director of Planning and Development.
*Rincon Park Restaurants LLC.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurants at Folsom and Embarcadero.

8. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

9. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's web site at www.sfport.com.

FEBRUARY 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
February 13	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

Effective February 27th, the Port Commission meetings will be held in the Bayside Conference Room at Pier 1.

February 27	4:00 p.m.	Port Commission	Bayside Conference Room Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***Effective February 27th, the Port Commission meetings will be held in the Bayside Conference Room at Pier 1.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website
Check out the Port's Website at **www.sfport.com.**

Questions/Contacts

Fisherman's Wharf Waterfront Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Shawna Horde	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm). There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

February 7, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Adopting Policy requiring individual Port Commissioners to disclose outside communications with interested parties concerning matters pending before the Port Commission.

At the January 23, 2001 Port Commission meeting, Commissioner McCarthy requested that the Commission consider a policy concerning communication between individual Port Commissioners and participants in the Port's public offering of property while the competition is in progress. The Port staff calendared the matter for the Commission meeting on February 13, 2001. The proposed resolution would direct staff to prepare a proposed amendment to the Commission's Rules of Order to incorporate a policy that would: (1) require Commissioners to disclose all outside communications regarding matters within the Commission's jurisdiction; and (2) prohibit communication between Commissioners and participants in a public offering of Port property. The Rule would specify the procedure for disclosure (e.g. report to Commission Secretary) and enforcement measures (e.g. disqualification in the competitive offering.)

An amendment to the Rules requires ten (10) days advance notice.

Prepared by: Douglas F. Wong, Executive Director

This Print Covers Calendar Item No. **3B**

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-08

ADOPTING POLICY REQUIRING INDIVIDUAL PORT COMMISSIONERS TO DISCLOSE OUTSIDE COMMUNICATIONS WITH INTERESTED PARTIES CONCERNING MATTERS PENDING BEFORE THE PORT COMMISSION

WHEREAS, Pursuant to Charter Section B3.581 the San Francisco Port Commission, (the "Port Commission") may adopt Rules of Order to effectuate the powers and purposes of the Port Commission; and

WHEREAS, The Port Commission has considered the proposal that individual Commissioners disclose their outside communications with developers, contractors and other interested parties concerning matters pending before the Port Commission and determined that the Port and the public would benefit from such disclosures; and

WHEREAS, The Port Commission finds that the public interest would be served by adopting a policy prohibiting direct communication to individual Commissioners from participants in a competitive public offering of Port property while the process is pending before the Commission to promote the open, objective and impartial conduct of Port Commission business; and

WHEREAS, The Port Commission has further determined that this policy can be implemented in a manner that does not infringe on the rights of citizens to petition their governments; now, therefore be it

RESOLVED, That the Port Commission of the City and County of San Francisco directs the staff to draft a proposed amendment to the Rules of Order to incorporate this policy and establish procedures for its implementation and enforcement.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 13, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

February 7, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong, Executive Director DW

SUBJECT: Informational Presentation on Proposed Cruise Terminal Operations and Marketing Plan for Pier 30/32

DIRECTOR'S RECOMMEDATION: Informational Item Only: No Action Required

BACKGROUND:
On May 25, 1999, the Port Commission approved Resolution No. 99-36, authorizing Port staff to issue an RFP/Q for the design and development of the Bryant Street Pier Project, including the James R. Herman Cruise Terminal, on Pier 30-32 and Seawall Lot 330 (the "Project"). On January 20, 2000, after an extensive review and evaluation of qualifications and proposals received, the Port Commission approved Resolution No. 00-03, authorizing Port staff to enter into exclusive negotiations with San Francisco Cruise Terminal LLC (the "Developer") for the Project.

As required in the RFP/Q, the Developer's proposal includes the required cruise terminal facilities, as well as a mix of uses to activate the Pier on a year-round basis. Non-cruise Pier uses proposed by the Developer include office, an arts screen cinema, a live music venue, public access and open space, preserving Red's Java House, retail and entertainment, boat docks for excursion and visiting boats, among other uses. Seawall Lot uses being considered by the Developer include hotel and/or residential.

During the past months, the Developer has continued to conduct their due diligence studies, and the Port and the Developer have begun a series of outreach meetings with the community, regulatory and user groups to receive their input into the Project as the proposed design continues to evolve.

Of particular importance to the Port, the Developer's team has also been working to further develop the terminal operations and marketing plan. As part of that effort, this informational presentation has been scheduled to provide the Port Commission and the public with an early opportunity to provide input into these critical issues.

This Print Covers Calendar Item No. 4A

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
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MEMORANDUM

February 7, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Proposed Leases and Uses in the Southern Waterfront

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There are a number of maritime and industrial leases and projects proposed in the Southern Waterfront area between Pier 70 and India Basin. This memorandum is provided to explain the proposed uses, the status of the Southern Waterfront Supplemental Environmental Impact Report (SEIR), and further planning efforts for the Pier 90-94 Backlands. Staff has been working with the Port's Southern Waterfront, Pier 70, and Maritime Commerce Advisory Committees, interested community members, project sponsors, and public agencies to keep the public informed and to solicit input prior to seeking Commission action on proposed Southern Waterfront uses.

Proposed Southern Waterfront Leases and Port Uses

In 1999, the Port received six proposals for proposed maritime and industrial uses:

- Bode Gravel Company/Mission Valley Rock - proposed concrete ready-mix plant at Pier 92
- RMC Lonestar – proposed concrete ready-mix plant at Pier 80
- British Pacific Aggregates/Hanson Aggregates – aggregate bulk imports and concrete ready-mix plant
- ISG Resources – proposed import, storage and transloading of fly ash in the Pier 90 former grain silos
- Coach USA – proposed tour bus maintenance and repair facility at Pier 96
- Waste Management Inc. – proposed construction debris recycling facility at Pier 70

This Print Covers Calendar Item No. **4B**

On April 18, 2000, the Port Commission approved exclusive negotiation agreements with those six project sponsors, to provide assurance that the Port would not enter into negotiations with other entities for the same sites.

At that time, the San Francisco Planning Department's Major Environmental Assessment division determined that a supplemental EIR to the Waterfront Land Use Plan Final EIR would be necessary to evaluate the environmental impacts of the projects. This Southern Waterfront Supplemental EIR (SEIR) has been jointly funded by the sponsors of the above projects and the Port, because the SEIR also includes an analysis of Port-sponsored projects:

- Illinois Rail and Truck Bridge – proposed as a connection between the Port's North and South Marine Terminals across Islais Creek
- Dredged Materials Storage Operations – storage and transshipment of Bay mud removed during Port maintenance dredging of its terminal berths
- Increased cargo shipping activity at the North and South Marine Terminals

Southern Waterfront Supplemental EIR

In addition to the above uses, the scope of the SEIR analysis includes assumptions about other potential activities. These additional use assumptions were included for a conservative SEIR analysis, to ensure that it took into full account cumulative impacts of other potential uses on and off Port property, even if many are not proposed now for development. The use assumptions for the Pier 70 Development Opportunity Site, other industrial uses in the remaining Pier 70 area, and the Pier 90-94 Backlands fall into this category. In addition, two of the above-identified project sponsors, British Pacific and Mission Valley, each requested that an asphalt plant be included in the SEIR analysis. The exclusive negotiation agreements each sponsor signed with the Port do not include provisions for asphalt batch operations.

The Draft SEIR was published on September 23 2000, and public comments were received until November 15, 2000. The written responses to the comments were released on January 26, 2001. The Planning Commission is due to consider certification of the Final SEIR on February 15, 2001. Once certified, the environmental impact, mitigation and alternatives information in the Final SEIR would be reviewed and considered by any decision-makers (such as the Port Commission) prior to approving projects.

The SEIR identifies a number of transportation, air quality, hydrology, hazards, biology, geology, historic resource and archaeological resource mitigation measures, which are attached in Exhibit A, to minimize or avoid significant environmental impacts. Those measures include several actions to reduce dust, and Port-sponsored economic incentives to promote equipment retrofits and/or use of low- or no-sulfur fuel to reduce diesel emissions.

Exhibit A includes additional mitigation measures developed in response to public comments, which were published in the SEIR Comments and Responses report released on January 26, 2001:

- Delineate and accordingly fence the Pier 94 wetlands and buffer area prior to any construction activity to create the Port's dredged material storage site.

- Conduct wildlife survey of the northeastern portion of the Pier 90-94 backlands, prior to construction of the Port's dredged material storage site.
- Conduct wildlife survey of the southwestern portion of the Pier 90-94 backlands prior to the approval of any development plan for that backlands area.
- Additional dust abatement measures for aggregate-related plants: truck wheel-washing systems located at plant exits; daily sweeping of streets surrounding plant facilities; posting of company and Port telephone numbers to call with dust, noise or other operational complaints.
- Lease provisions for any concrete or asphalt plants limiting production volumes to levels consistent with those assumed and analyzed in the SEIR, with requirements for annual audits to monitor production for the term of the lease.

Port staff are reviewing these mitigation measures for incorporation into any leases, as relevant, prior to being considered for approval by the Commission. Staff is giving first consideration to the named businesses seeking leases, and Port uses described above. In addition to SEIR mitigation measures, the staff will consider public access and other lease provisions that benefit the community. All proposed leases will be presented for review and recommendation by the Pier 70, Southern Waterfront and/or Maritime Commerce Advisory Committees prior to Commission consideration. The timing for presenting any of the proposed leases for Commission action will depend on the detailed negotiations that will ensue.

Pier 90-94 Backlands Planning

The Port's Maritime Division currently is working with a consultant team to complete a Maritime Industrial Study. The purpose of this Study is to identify market and business opportunities for cargo and industrial maritime businesses, and their associated facility needs that can be met on Port property, potentially including land within the Pier 90-94 backlands. The degree to which this backlands area continues to be needed to meet those maritime needs will factor significantly in the planning for other uses.

Drafts of the market and business trends portion of the analysis have been presented for discussion by the Maritime Commerce and Southern Waterfront Advisory Committees. Completion of the Maritime Industrial Study is expected at the end of March 2001, and will be reviewed by the Commission.

Defining any other, non-maritime uses for the Pier 90-94 Backlands will be derived through a community planning effort involving the Port's Advisory Committees and other interested citizens and community organizations. Public workshops will be held to identify desired uses. Port staff expects to be hiring consultants to assist in site analysis, and feasibility analysis of the different use and development options identified in the planning process.

Submitted by: Peter Dailey, Maritime Director

EXHIBIT A

SOUTHERN WATERFRONT SEIR
MITIGATION MEASURES

San Francisco Planning Department Case No. 1999.377E

The following text contains the mitigation measures excerpted from the Draft SEIR, dated September 23, 2001, and the Draft Summary of Comments and Responses, released on January 26, 2001

CHAPTER IV

MITIGATION MEASURES PROPOSED TO MINIMIZE THE POTENTIAL ADVERSE IMPACTS OF THE PROJECT

In the course of project planning and design, measures have been identified that would reduce or eliminate potential significant environmental impacts of the proposed project. Some of these measures have been voluntarily adopted by the Port and/or private project proponents and thus are to be implemented as part of the project. Other measures are identified as a result of this analysis but have not as yet been incorporated into the project. Each mitigation measure and its status are discussed below.

There are several items required by law that would serve to mitigate potential significant impacts; they are summarized here for informational purposes. These measures include: no use of mirrored glass on the building to reduce glare, as per City Planning Commission Resolution 9212; limitation of construction-related noise levels, pursuant to the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, 1972); observance of regulations promulgated by the Regional Water Quality Control Board and the Bay Area Air Quality Management District; compliance with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint; and observance of State and federal OSHA safety requirements related to handling and disposal of other hazardous materials, such as asbestos.

Measures that are not required by legislation but would serve to mitigate potentially significant environmental impacts appear below. Also, where legal requirements exist but provide little specificity with regard to likely compliance actions, such as components of a Stormwater Pollution Prevention Plan, certain specific elements of these requirements that would be required to ensure that no significant impact would occur are identified as mitigation.

As described in the Introduction, this is a Supplemental EIR. Accordingly, this chapter indicates the disposition of mitigation measures that were identified in the 1997 Waterfront Land Use Plan (WLUP) FEIR and approved by the Port Commission with adoption of the Waterfront Plan in June 1997. Some of those measures remain applicable to the project as currently proposed and have been incorporated here, while others have been modified in this SEIR. Some measures do not apply to the project analyzed in this SEIR, principally because they were identified in reference to other components of the Waterfront Plan analyzed in 1997, such as areas of the waterfront other than the Southern Waterfront; they are so noted. Where a measure is not noted as being from the 1997 FEIR, it is newly identified in this SEIR.

A. LAND USE

No mitigation measures are required for the current project.

B. TRANSPORTATION

MEASURE IDENTIFIED IN THIS SEIR

B.1 To mitigate 2015 conditions, monitor traffic level of service (LOS) conditions at the intersections listed below in Table 23. At such time as warranted by traffic conditions (i.e., a degradation of the p.m. peak-hour service level to an unacceptable LOS E or F), institute the identified improvements or implement another measure determined at that time to be adequate to mitigate the degradation in level of service.

TABLE 23
MITIGATION MEASURES FOR INTERSECTION LEVELS OF SERVICE

Intersection	Mitigation Measure	2015 Level of Service A.M. Peak Hr. Project LOS	A.M. Peak Hr. LOS w/ Mitig.	P.M. Peak Hr. Project LOS	P.M. Peak Hr. LOS w/ Mitig.
Third / 25th Streets †	• Restripe the east- and westbound approaches to provide left-turn lanes. • Revise signal timing to provide protected east- and westbound left-turn phases.	D	C	F	D
Illinois / 25th Streets †‡	• Install traffic signal.	B (C)	B	F	A
Pennsylvania / I-280 SB On-Ramp †‡	• Install traffic signal.	B (C)	B	F	B
Pennsylvania / César Chávez Streets	• Reconstruct the roadway to provide an exclusive northbound right-turn lane ("free" right-turn).	F	D	F	D
Third / César Chávez Streets	• Add a second northbound left-turn lane and an additional lane in each direction to the western approach on César Chávez Street. (This would require the acquisition of additional right-of-way on Third Street at the southeast corner of the intersection, where there is an existing building.)	F	D	F	D
Illinois / César Chávez Streets	• Install traffic signal. • Restripe the northbound and southbound approaches to provide left-turn lanes and shared right-through lanes. • Restripe the eastbound and westbound approaches to provide a shared left-through lane and a shared through-right lane.	F	D	F	B
Amador Street / Cargo Way	• Install traffic signal. • Restripe the southbound Amador Way approach to provide a left-turn lane, a shared left-through lane, and a right-turn lane.	F	C	F	B

† - Mitigation required only in p.m. peak hour.
‡ - LOS and delay reported for overall intersection; LOS in parentheses is for critical movement, when worse than overall LOS.

SOURCE: Wilbur Smith Associates

B.2 At such time as specific mixed-use or other non-industrial projects generating more than 100 daily vehicle trips are approved and occupied at the Pier 70 Mixed-Use Opportunity Area and the Pier 90-94 backlands, the Port shall develop a Transportation Systems Management (TSM) Plan, and potentially a Transportation Management Agency (TMA) that would consist of Port staff, Port tenants, property owners, and project occupants. The goals of the TSM Plan and the TMA shall be to reduce, to the maximum feasible extent, the use of single-occupancy automobile traffic and encourage other forms of travel to and from work, including transit, carpooling and ridesharing, bicycle, walking, and other means.

B.3 The Illinois Street bridge that is proposed by the Port would improve operating conditions at Third Street and Cargo Way to an acceptable level of service (LOS C in the a.m. peak hour and LOS D in the p.m. peak hour), compared to conditions without the proposed bridge.

MEASURES FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

B.4 The Port shall comply with requests from the Major Environmental Analysis section of the Planning Department to analyze intersection levels of service for existing and future conditions at intersections that may reasonably be expected to be affected by each future development project, and shall identify and implement appropriate mitigation measures.

Any such transportation analysis would need to be coordinated with monitoring of the Congestion Management Program network, conducted biennially by the San Francisco County Transportation Authority as the designated Congestion Management Agency for San Francisco County. Within the WLUP Project Area, The Embarcadero, King, Third and Fourth Streets are all included on the Congestion Management Program network. A number of intersecting streets (North Point, Bay, Broadway, Washington, Clay, César Chávez, and Evans west of Third) are also included on the CMP network. The Authority would conduct monitoring activities along these facilities, but only in the context of determining changes in Level of Service for arterial segments (not for individual intersections). Degradation of the Level of Service for one or more individual intersections within an arterial segment, to Level of Service "F" or to below some other designation deemed to be acceptable, could also degrade the segment Level of Service. The degree of impact to the segment may not be sufficient for the Transportation Authority to identify a "deficiency" under the CMP process (Level of Service "F" for the entire segment), even though the Port or City could impose mitigation requirements for developers of projects that would have a significant impact on individual intersections. Based on the transportation analysis for this EIR, cumulative development along the Waterfront might cause degradation of a particular segment of the CMP network to fall to "F," thereby triggering a finding of deficiency requiring formulation of a Deficiency Plan, and implementation of that Plan under the CMP processes identified by the Transportation Authority. The Authority could, in this circumstance, identify the Port as the lead agency for development of the Deficiency Plan and for implementation of any corrective measures, and the Port could require sponsors of specific development projects that contribute to cumulative congestion to participate in improvement and mitigation measures. *(1997 FEIR Measure D.4)*

B.5 To help induce shifts from vehicles to transit and thereby partially mitigate local intersection impacts and regional highway impacts, the Port could require and/or institute Transportation Demand Management Programs among developers of major trip generators, as a condition of lease

approval. This would apply in particular to future Port development at Pier 70 and the Pier 90-94 backlands.

Such programs typically target primarily commute trips, with various educational, assistance and incentives measures to encourage carpooling and vanpooling, and transit use. These measures may be accompanied by such "disincentives" to low-occupant private vehicle use as restricting the amounts and/or location of parking made available to employees, and charging higher fees for all-day parking. Also typical are measures designed to shift time of commute travel to the "shoulders" of the peak, and/or to encourage less trip making through alternative work schedules and telecommuting. The effectiveness of these programs is variable, but they are most appropriate and effective when there are substantial constraints to vehicular travel, circulation and storage coupled with suitable options such as excellent transit accessibility. San Francisco in general, and its downtown and portions of the waterfront in particular, exhibit this combination of factors.

The Port could also design and implement similar programs which would target non-commute travel. An example of the type of measure which might be included is the issuance of discount admission to some uses, or reductions in the price of services and/or merchandise, upon presentation of a valid transit transfer or other proof of transit use payment. Additionally, a free shuttle along The Embarcadero could be a part of this type of program, and would help to alleviate local auto congestion. *(1997 FEIR Measure D-7)*

C. AIR QUALITY

Measure B.3, above, would reduce but not eliminate the project's contribution to potentially significant air quality impacts. The mitigation measures in this section would further reduce but not eliminate the project's contribution to potentially significant air quality impacts.

MEASURES INCLUDED IN THE PROJECT

C.1 Each of the Industry Group construction aggregate industry project components, which would represent "stationary sources" of particulate emissions, shall include "best available control technology" (BACT) to control emissions, consistent with current regulations. For aggregate-handling operations (Bode Gravel, Mission Valley Rock, RMC Pacific, British Pacific Aggregates), this includes maintaining a moisture content in the aggregate that is high enough to eliminate PM-10 "fugitive" emissions (wind-blown dust that could otherwise escape into the surrounding air). A water spray system shall be installed at each aggregate-handling facility, including Bode Gravel, Mission Valley Rock, RMC Pacific, and British Pacific Aggregates. Fine aggregate material (sand) shall be maintained with a moisture content of approximately 5 percent, because such material with a moisture content of 4.5 percent or more produces virtually no fugitive emissions. Coarse aggregate (gravel) shall be kept damp on the surface, which would also effectively eliminate fugitive dust. Aggregate shall be stored in bunkers, rather than open piles, with water spray (including the use of surfactants, as necessary, to bind the water and dust to the aggregate) applied to maintain adequate moisture content to control emissions. ISG Resources, which would handle fly ash, a finer, more powdery material than aggregate, shall install BACT dust collection equipment to accommodate truck and rail transport and shall use pneumatic equipment to control dust emissions during the transfer of fly ash.

C.2 The asphalt plant proposed by Mission Valley Rock (and potentially the British Pacific asphalt plant) shall include controls on the drum mixer where the asphalt cement and aggregate are mixed. Drum mixer(s) shall be fired with natural gas, consistent with Best Available Control Technology (BACT) recommendations, and particulate emissions from the aggregate drying and mixing process shall be controlled with a fabric filter, also consistent with BACT. Such filters can achieve control efficiency of greater than 99 percent.

C.3 Consistent with the City's Clean Air Program (established by Ordinance 258-99, adopted October 15, 1999), it is City policy to "foster, promote, and encourage the use of low emission [alternative fuel vehicles] and [zero emission vehicles] by developing infrastructures to support the use of these vehicles." Under the ordinance, the City is to (1) assess the need for a network of natural gas fueling stations accessible to the public; (2) site and develop at least five such facilities, by public and/or private entities; (3) install 50 publicly accessible electric vehicle charging stations in City garages, lots, or other sites; (4) develop a plan for additional charging stations and related infrastructure; (5) buy and lease ultra-low and zero emission vehicles for City department use; (6) identify and convert diesel bus lines to electric service; (7) develop a plan to phase out older diesel buses; (8) develop a plan and incentives to encourage larger private vehicle fleets to convert their fleets to very low or zero emission vehicles; and (9) develop a car sharing program in high density neighborhoods.

Consistent with the City's Clean Air Program, the Port shall require that all tenants make a good faith effort to engage in operational practices sensitive to the environment and the neighboring community. In furtherance of this, the Port shall require that tenants operating a fleet of vehicles investigate the potential for use of low- or zero emission vehicles and implement measures to reduce vehicle emissions to the maximum feasible extent. Options may include, but not necessarily be limited to, the use of low-emission diesel fuel (including low-sulfur diesel); the use of catalytic particulate traps for diesel-powered engines that are currently under study by the California Air Resources Board; the use of other emerging technologies to reduce diesel particulate emissions; and use of electric vehicles. The Port shall also require that tenants operating diesel-powered stationary equipment investigate similar options. Tenants shall investigate retrofitting existing engines and purchase of new engines. The Port shall further require that tenants who work with independent trucking contractors encourage those contractors to make similar efforts, including, if reasonably feasible, providing such truckers with economic incentives to retrofit equipment or take other measures as may be necessary to use low-emission fuels. As an economic incentive to minimize diesel emissions from Port property, the Port shall contribute towards the incremental costs incurred by its tenants for Port-approved equipment and improvements in furtherance of this measure. Finally, the Port shall establish a schedule by which tenants described above shall report to the Port on progress in investigating reduced-emission engines.

C.4 At such time as specific mixed-use or other non-industrial projects generating more than 100 daily vehicle trips are approved and occupied at the Pier 70 Mixed-Use Opportunity Area and the Pier 90-94 backlands, the Port shall develop a Transportation Systems Management (TSM) Plan, and potentially a Transportation Management Agency (TMA) that would consist of Port staff, Port tenants, property owners, and project occupants. The goals of the TSM Plan and the TMA shall be to reduce, to the maximum feasible extent, the use of single-occupancy automobile traffic and encourage other forms of travel to and from work, including transit, carpooling and ridesharing, bicycle, walking, and other means.

REVISED MEASURE FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

C.5 The Port shall require that project sponsors direct construction contractors to implement a dust abatement program to reduce the contribution of project construction to local PM-10 concentrations. Elements of this program, which is currently applied to all Port tenants, include the following:

- Water internal roadways and unpaved construction areas just prior to the morning and evening peak traffic periods (to limit the potential for major roadway traffic to entrain dust), limit speeds to 10 mph, and sweep paved internal roads after the evening peak period.
- In addition, water active sites (e.g., where demolition, excavation or other earth work is underway) at least twice per day. Increase the frequency of watering when wind speeds exceed 15 miles per hour. Suspend all excavating and grading operation when instantaneous gusts exceed 25 miles per hour.
- Replace ground cover in disturbed areas as quickly as possible.
- Enclose, cover, water twice daily, or apply soil binders to exposed stockpiles of sand, gravel, and dirt.
- Install gravel at construction equipment entrances to unpaved areas to prevent tracking of dirt and mud onto streets.
- Sweep paved access roads, parking areas, and construction staging areas, at the end of day (with water sweepers), and sweep adjacent City streets if any visible soil material is carried over to these streets.
- Cover all trucks hauling dirt, sand, soil, or other loose materials. Maintain at least six inches of freeboard between the top of the load and the top of the trailer.
- Sweep up dirt or debris spilled onto paved surfaces immediately to reduce resuspension of particulate matter through vehicle movement over these surfaces.
- Designate a person or persons to oversee the implementation of a comprehensive dust control program and to increase watering, as necessary.
- Maintain and operate construction equipment so as to minimize particulates from exhaust emissions. During construction, require contractors to operate trucks and equipment only when necessary. Equipment should be kept in good condition and well-tuned, to minimize exhaust emissions.

Ordinance 175-91, passed by the Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities. Therefore, the project sponsor shall require that the contractor(s) obtain reclaimed water from the Clean Water Program for this purpose.

This mitigation measure also would reduce demolition-related impacts regarding lead paint chips/lead dust. The project sponsor shall also be required to comply with Chapter 36 of the San Francisco Building Code, Work Practices for Exterior Lead-Based Paint, enforced by the San Francisco Department of Building Inspection.

No other feasible mitigation measures have been identified that would reduce the project's total regional emissions to a level below Bay Area Air Quality Management District thresholds, or eliminate the project's contribution to potentially significant cumulative impacts from all existing (unquantified) and future (unknown) emissions sources.

D. HYDROLOGY

MEASURES INCLUDED AS PART OF THE PROJECT

D.1 For construction sites of less than five acres of disturbed area, the contractors shall be required to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) similar to that required under the statewide General Permit for Storm Water Discharges Associated with Construction Activity. The SWPPP would include site-specific information to identify and evaluate sources of pollutants associated with industrial activities and to identify and implement site-specific best management practices to reduce or prevent pollutants associated with industrial activities in stormwater discharges. Best management practices may be non-structural (e.g., activity schedules, maintenance procedures, prohibitions of practices) or structural (e.g., treatment measures, runoff controls, overhead coverage). Elements of the SWPPP shall include the following:

- measures for erosion and sediment controls
- methods for construction waste handling and disposal, and
- post-construction erosion and sediment control requirements.

D.2 To minimize the potential for water quality degradation from stormwater runoff, the Port shall require that all tenants and developers, including interim lessees such as the Industry Group members, implement source control Best Management Practices consistent with those identified in the Industrial / Commercial Storm Water Best Management Practices Handbook (Stormwater Quality Task Force, 1993). Measures shall include, but are not limited to, the following (some of which are proposed as part of one or more Industry Group components):

- prohibiting discharge of process water to storm drains;
- for Industry Group components that would use water in dust control, creation of settling basins or similar features that would allow sediment to be removed from water prior to reuse and/or discharge;
- employing appropriate containment measures for fuel, asphalt cement, and other hazardous materials stored on-site, to capture potential spills (including at on-site fueling areas);
- installing and maintaining grease and sediment traps at vehicle maintenance and washing areas to prevent contaminated runoff from entering the storm drains or Bay;

- installation of sediment containment systems around outdoor aggregate storage facilities to limit sediment entering stormwater runoff, and covering such storage areas if feasible to limit stormwater infiltration;
- creation of a designated wash-out area for concrete trucks to prevent concrete slurry from reaching the Bay; and
- cover any open conveyors in use over the Bay (i.e., between piers and ships and barges) to minimize the potential for direct sediment spill to the Bay.

REVISED MEASURES FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

D.3 As part of permit and lease requirements for future Port development projects, runoff from stormwater at new or re-developed facilities located outside of the City's combined sewer system shall be, at a minimum, subject to appropriate treatment such as on-site oil/water separators and/or sediment traps, depending on the nature of the pollutants that may be in the runoff, so that stormwater runoff is treated prior to discharge and that there is no direct, untreated discharge to the Bay or Islais Creek. Stormwater runoff from future Port development sites shall not be directed to the City's combined system, as originally contemplated in the Waterfront Plan EIR, and the volume of stormwater flows from the project area to the City's combined sewer system shall remain the same as at present, unless the increased flow to the combined system would result in no additional volume of combined sewer overflows.

D.4 Sponsors of individual project components, including members of the Industry Group, shall be required to implement appropriate Best Management Practices for stormwater pollution prevention throughout the life of each lease and shall be required to monitor stormwater quality in accordance with the requirement of the statewide General Permit for Discharge of Industrial Stormwater.

D.5 Sponsors of individual project components, including members of the Industry Group, shall conduct water quality monitoring during construction of facilities on or adjacent to the Bay to minimize effects of construction activities on water quality. In order to minimize potential for spills, construction materials or debris to enter the Bay and affect water quality, site specific construction methods and precautions, such as limiting activities on days of strong winds, could be included in the contractor's construction specifications to minimize effects on water quality. Demolition of structures with lead-based paint should include physical precautions to ensure that paint dust and chips do not enter the Bay.

E. HAZARDS

MEASURES INCLUDED AS PART OF THE PROJECT

E.1 Accidental Release of Hazardous Materials or Petroleum Products

In accordance with the Hazardous Materials Ordinance, the sponsor of each Industry Group or Port project component shall ensure that a Hazardous Materials Business Plan is prepared for each of the project components involving the use of petroleum products or hazardous materials. The plan would specify methods for handling and storage of these including containment, site layouts, and emergency response and notification procedures for a spill or release.

The project sponsor(s) shall ensure that a Spill Control and Countermeasure Plan is prepared for any project involving the aboveground storage of petroleum products. The plan would include requirements for appropriate spill containment or equipment to divert spills from sensitive areas, a discussion of facility-specific requirements for the storage system, inspections and a record keeping system, security for the system, and personnel training. The project sponsor(s) would also comply with the state requirement that above-ground storage tanks subject to federal regulations are registered with the Regional Water Quality Control Board.

E.2 Hazardous Materials in Soil

E.2a Because the Bode Gravel and Mission Valley Rock projects would be constructed bayward of the historic high tide line and would involve the excavation of at least 50 cubic yards of soil, the sponsors of those components shall ensure that the contractors comply with the requirements of Article 22A, "Analyzing the Soil for Hazardous Wastes." In accordance with the approved site mitigation report for this project component, the site would be capped with an asphalt or concrete slab and structures. Upon completion of capping, a certification report would be prepared to document construction activities and a maintenance report would be prepared specifying procedures to be followed to control exposure to the subsurface soil following construction of the proposed project. These reports would be submitted to the San Francisco Department of Public Health for review and approval to ensure regulatory compliance.

For any other Industry Group or Port-sponsored project components for which Article 22A would apply (including the Illinois Street bridge, if applicable), a site history report, soil investigation, and soil analysis report would be completed to identify potential hazardous materials at this site.

If indicated by the results of the soil investigation, the project sponsor would ensure that the contractors for each project prepare a Site Mitigation Report in compliance with Article 22A if warranted by the levels of hazardous materials identified in the soil. The plan would include measures for the handling of soil produced during excavation, to control dust and runoff during construction, and to characterize soil for off-site disposal purposes. Upon completion of construction, the project sponsor would ensure that the construction contractors prepare a certification report certifying that either (1) no hazardous wastes present in the soil present an unacceptable risk and that no mitigations are required; or (2) all mitigation measures specified in the site mitigation report have been completed and that completion of the mitigation measures has been verified through follow up sampling and analysis, if required. All reports would be submitted to the San Francisco Department of Public Health (DPH) for review and approval to ensure regulatory compliance.

The project sponsor shall prepare and submit to DPH a site-specific Safety and Health Plan (SHP) that would address worker safety concerns resulting from potential contaminants on the site. The SHP would include provisions for responding to unknown hazardous materials site conditions that could be encountered during construction.

If the soil investigation demonstrates that hazardous wastes present in the soil could be at levels that pose an unacceptable health risk, the project sponsor would ensure that appropriate site investigations and risk evaluations are performed to evaluate potential human health risks related to any hazardous substances left in the soil or groundwater after completion of construction. The investigations, risk evaluations, and any required remedial actions would be implemented under the oversight of the appropriate regulatory agency(ies) to ensure compliance with applicable laws and that the public health and safety are protected.

E.2b For all projects where subsurface contamination is identified, the project sponsor would ensure that from the time that ground surfaces are exposed until the time that all remedial activities have been completed, a fence is erected around the area where chemicals have been identified in the soil and site access is restricted to necessary personnel. Warning signs prohibiting access by the general public onto the project site would be posted at all construction access points. Access would be limited to authorized personnel only.

Dust-control measures applicable for air quality impacts would also minimize the potential public health impact associated with dust emissions and air quality pollutants. (See also Air Quality Mitigation Measures.)

MEASURE PROPOSED BY THE PORT AS PART OF THE PROJECT

E.3 Soil Disposal

The Port shall contract for, or require that Port tenant(s) contract for, disposal of any portion of the soil pile on the Bode and Mission Valley Rock sites at Pier 92 that cannot be reused, with approval of the San Francisco Department of Public Health, for construction projects in accordance with applicable waste disposal regulations.

REVISED MEASURE FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

E.4 Hazardous Building Materials

The project sponsor for each Industry Group component and each future Port development component involving demolition or renovation of existing facilities shall ensure that hazardous building material survey(s) for asbestos, PCB-containing equipment (including transformers, elevator equipment, and other applicable equipment), hydraulic oils, fluorescent lights, and lead-based paint is conducted prior to the start of demolition or renovation, for each such project component. The survey(s) would be completed by a Registered Environmental Assessor or a registered engineer prior to construction or demolition activities. If any friable asbestos-containing materials or lead-containing materials are identified, adequate abatement practices, such as containment and/or removal, would be implemented prior to demolition or renovation. Detailed requirements for the assessment, abatement, and disposal of hazardous building materials are presented in Appendix F. Any PCB-containing equipment or fluorescent lights containing mercury vapors would also be removed and disposed of properly.

Any hazardous materials discovered through building survey(s) would be abated according to federal, state, and local laws and regulations. In particular, the project sponsors will be required to comply BAAQMD requirements for the removal of friable and non-friable asbestos containing materials as well as other requirements of Cal/OSHA, BAAQMD and the Contractors Licensing Board for abatement of asbestos prior to demolition.

F. BIOLOGICAL RESOURCES

REVISED MEASURES FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

F.1a The Port could limit dredging operations and other construction activity in connection with the Illinois Street Bridge to between March 1 and November 30 to eliminate any potentially significant impacts of dredging or pier repair/replacement on the Pacific herring fishery. The Port would specify in construction contracts that, in exceptional cases where dredging operations or bridge construction must conflict with the herring season, the following conditions must be fulfilled:

- A professional fisheries biologist or other individual sufficiently competent to identify herring spawning activity would monitor the project site daily at any time when dredging or other in-water construction activity were taking place.

- In the event that the on-site monitor detects herring spawning at, or within 200 meters of dredging or other in-water construction activity, the monitor would immediately notify the Environmental Review Officer and the project construction manager, who would halt the dredging or other construction activity for a minimum of 14 days, or until the monitor determines that the hatch has been completed and larval herring have left the site. The dredging or other construction activity may resume thereafter.

F.1b Project sponsors of Industry Group project components would similarly limit dredging operations and pier repair/replacement to between March 1 and November 30 to eliminate any potentially significant impacts of dredging or pier repair/replacement on the Pacific herring fishery. In exceptional cases where dredging operations or major pier repair/replacement operations (beyond routine maintenance) must conflict with the herring season, the project sponsor(s) would consult with the permitting agencies, including but not necessarily limited to the U.S. Army Corps of Engineers, Bay Conservation and Development Commission, State Department of Fish and Game, and Regional Water Quality Control Board. The sponsor(s) would comply with specific monitoring requirements established by these and other agencies to avoid impacts on the herring fishery.

F.2 Prior to demolition or renovation of any abandoned building between August 15 and October 15, or between February 1 and May 1, project sponsor(s) would ensure that survey(s) are conducted during the same period by a qualified bat biologist. If no Townsend's western big-eared bats are found during the survey(s), no additional mitigation is required.

If Townsend's western big-eared bat, a California Species of Special Concern, is found during an August - October survey, appropriate exclusion devices approved by CDFG & USFWS should be installed by a qualified bat biologist. Once the bats have been excluded, demolition may occur.

If Townsend's western big-eared bats are found during a February - May survey, demolition should not take place until the end of the nursery season in August. Exclusion devices should be placed by a qualified bat biologist in accordance with CDFG and USFWS.

G. GEOLOGY, SOILS, AND SEISMICITY

REVISED MEASURES FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

G.1 A geotechnical investigation should be conducted under the direction of a Geotechnical Engineer prior to permitting any new construction, including construction of the proposed Illinois Street bridge, or reuse of an existing structure for new uses that could increase the load of the structure so as to trigger the requirements of Section 3403.6 of the San Francisco Building Code. The investigation should be performed to evaluate subsurface conditions and existing foundation conditions at the site. The geotechnical investigation should evaluate the potential hazards such as settlement, ground shaking, ground rupture, liquefaction, subsidence, slope stability, and lateral spreading. Recommendations to mitigate geologic hazards should be made to the project's structural engineer regarding the design of new foundations, upgrading of existing foundations, seismic design, and mitigation of geologic hazards. *(1997 FEIR Measure I-1)*

G.2 To minimize hazards to building occupants from non-structural damage, the Port should require all Port facilities and tenants to carry out the following measures at a minimum: heavy objects should be attached to secure walls and floors, and light, loose objects should be placed to minimize their potential to move or overturn; large storage containers should not be loosely stacked, and those stored on shelves should have appropriate restraints or other means to prevent them from tipping or sliding off the shelves.

Heavy objects like freezers, boilers, chillers, laboratory equipment, battery racks and electrical transformers, heavy storage cabinets, tanks, safes, oversize file cabinets, etc., should be firmly secured to floors and walls to prevent their falling or sliding. All equipment using natural gas should be anchored. Care should be taken to avoid placement of such objects where they could topple or move and block exit doors. *(1997 FEIR Measure I-7b)*

G.3 Because of the large number of employees and visitors in some facilities potentially on-site in an earthquake and the likelihood that the facilities will be needed to supply emergency response services, high-occupancy facilities should be required to store emergency response supplies and equipment on-site for a 72-hour reserve.

It is likely that emergency response systems in San Francisco and in the Bay Area as a whole would be overloaded in the immediate aftermath of a large earthquake. Because of the large population that may be present in the Project Area in an earthquake (especially under Alternatives A and B), it likely would be necessary for offices, hotels, industrial facilities and residents to be relatively self-sufficient for a period of a day or two until supply systems can be restored. Observations from large earthquakes, such as Mexico City in 1985 and Kobe in 1995, confirm that most supply services for water, power, food and medical supplies would be unavailable for a minimum of 72 hours after the earthquake. For this reason, medical supplies needed for common earthquake injuries, stretchers, blankets, flashlights and at least 72 hours' potable water and non-perishable food supply should be stored at easily accessible locations in offices, business complexes, hotels and large residential structures. Heavy crow-bars, other heavy tools, and hand-operated loudspeakers should be kept in easily accessible and well-marked locations in every building and in large parking structures. *(1997 FEIR Measure I-7c)*

G.4 Non-structural interior elements (ceilings, partitions, light fixtures, HVAC, pipes, etc.) should be designed to withstand strong ground shaking and remain intact. This would be accomplished, for

example, by selecting lightweight materials and firmly securing them to structural elements of the building and by using flexible connections for pipes. *(1997 FEIR Measure I-7d)*

G.5 Require the use of flexible utility connections and fasten water heaters to walls. Require the installation of automatic shut-off valves in all natural gas pipelines and provide similar emergency shut-off valves for other gas (oxygen and nitrogen) systems or as otherwise required by the San Francisco Fire Department or the Port fire marshal. Do not install automatic shut-off valves for water supplies. Require the posting of room/building layout diagrams that indicate the location of shut-off valves for natural gas. *(1997 FEIR Measure I-7e)*

G.6 Require fire extinguishers in all rooms and hallways and adjacent to all exit doors (including stairwell exits), as required by the San Francisco Fire Code. Require that cabinets are not placed where they could overturn and block access to fire extinguishers. Require the training of all staff of offices, hotels, industrial facilities, restaurants and entertainment complexes in the use of fire extinguishers. *(1997 FEIR Measure I-7f)*

G.7 The Port has prepared an earthquake preparedness plan and an earthquake response plan for its facilities. The Port shall assist its tenants in preparing earthquake preparedness and response plans covering all uses with more than 100 employees and public uses accommodating more than 100 persons, in compliance with San Francisco Fire Department requirements. *(1997 FEIR Measure I-7g)*

Some of the key provisions of an earthquake preparedness plan include the following:

- Assign responsibilities for disaster control, including primary responsible individuals and back-ups.
- Ensure that individuals with assigned responsibilities are aware of their proper roles (e.g., medical response, fire response and coordination with the Fire Department, locating the whereabouts of all individuals within an assigned area/unit, conducting periodic inspections to reduce earthquake hazards within individual work areas, and maintaining a stock of necessary emergency response supplies and equipment).
- Train all employees in self-protective behavioral response during an earthquake. Train all employees in the use of fire extinguishers.
- Inform all employees about the location of emergency response equipment and supplies.
- Train all employees to report to an emergency supervisor at a designated safe location immediately after an earthquake.
- Provide free and accessible general first aid training. Training for injuries related to spills of hazardous substances during an earthquake is included in OSHA-required Contingency Plans.
- Conduct an earthquake drill at least once a year.

Some elements of an emergency response plan include the following:

- Assign all employees a predesignated place and individual to report to immediately after an earthquake.
- Establish a search and rescue plan within designated areas.
- Establish designated areas at or near the ground floor for short-term occupancy by employees or, alternatively, set up shelters in outside areas in a safe place.
- Provide battery-operated radios and televisions in these areas.

- Establish a chain-of-command and operations center for dealing with fires, spills, and damaged structures.
- Assign individuals to coordinate with the Fire Department if they arrive on-site to respond to a fire. The Fire Department may have additional requirements for emergency preparedness and response.
- Design response plans for an objective of near-regular medical service capability. *(1997 FEIR Measures I-7g and I-7h)*

While earthquake hazards could not be entirely eliminated, implementation of Measures G.2 through G.8 would reduce the hazards of an earthquake to an acceptable level of risk, within the requirements of the City of San Francisco.

G.8 The Port should take feasible steps to minimize potential earthquake safety risks related to hazardous materials in its operations and that of its tenants.

Specific steps may include appropriate seismic safety provisions, such as prohibiting the storage of hazardous materials in containers above head level (about five feet); anchoring hazardous materials shelves and heavy equipment to walls and floors; constructing heavy doors that are designed to remain shut during earthquake vibrations; providing hand-operable closures for vents and air ducts; and other provisions as discussed in the Association of Bay Area Governments' *Hazardous Material Problems in Earthquakes: A Guide to Their Cause and Mitigation.* Other measures should be implemented as recommended by the San Francisco Fire Department and/or Health Department. Additionally, The Port has prepared an Emergency Procedures Manual for Port operations and periodically revise it to be consistent with changes in the facilities and operations. Tenants who use or store hazardous materials are required by the local Hazardous Materials Ordinance to develop a hazardous materials Business Plan, which includes emergency procedures. *(1997 FEIR Measure I-8a)*

G.9 The Port should require tenants to design all facilities for storage of hazardous chemicals in containers, such as cabinets, shelves, and drawers, to minimize potential hazards in an earthquake, in accordance with Fire Department and/or Health Department requirements.

Storage facilities should include safety lips to contain spills and to reduce the likelihood of contents falling. All shelves and cabinets should be secured to a wall or ceiling. All cabinets and drawers should be provided with positive latches that would not open during earthquake motions and vibrations. Compressed gas cylinders, including empty ones, should be secured to fixed features. Gas cylinders should be secured at two locations along their vertical axis, one in the top one-third of the cylinder and another in the bottom third of the cylinder.

The Port should require storage of hazardous chemicals in approved containers and separation of incompatible chemicals in separate storage areas. If chemical storage is vented by an electric fan, an alternative (emergency) means of ventilation should be provided, which may be a mechanical (non-powered) vent. *(1997 FEIR Measure I-8b)*

Implementation of Measures G.9 and G.10 would reduce hazardous materials-related non-structural safety hazards of an earthquake to an acceptable level of risk.

G.10 Project sponsors, including the Port, should employ an engineer qualified in earthquake engineering to incorporate into the final design of individual facilities developed under the WLUP all economically feasible engineering methods to reduce the potential for loss of life-line services. This may include methods to improve unstable ground conditions, to strengthen infrastructure to be more resistant to earthquake induced ground movements, and to organize and prepare for

earthquake response. While specialized techniques for ground improvement to reduce liquefaction hazards likely are not practical or economically feasible over large areas, ground improvements within selected strategic sites may result in substantial hazard reduction to utility systems. In such areas a variety of ground stabilization techniques may be considered, such as compaction grouting, placement of stone columns, and deep soil mixing. *(1997 FEIR Measure I-9a, Revised)*

G.11 For individual development projects, the use of flexible connections for utility lines may be needed (see Mitigation Measure G.7). Back-up supplies of water, power generators, and battery-operated telecommunications equipment may need to be installed (or enlarged at the existing facilities). The engineer should recommend the appropriate approach (e.g., separate facilities and equipment or upgrading existing facilities) for all Project Area facilities. *(1997 FEIR Measure I-9b)*

G.12 The Port, in cooperation and compliance with the City's Office of Emergency Services, Fire Department and Police Department, should plan routes of alternative emergency access to development sites.

Available routing for emergency response vehicles needs to be quickly assessed following an earthquake and conveyed immediately to ambulance drivers, fire persons and police officers. Consistent with the City's *Civil Defense and Disaster Operation Plan*, information should be provided about routing to hospitals including consideration of streets blocked by debris, collapsed or unsafe bridges, and streets rendered impassable by road damage. To prepare for such possible loss of access, the City should consider developing alternative routing concepts to reach the hospitals and familiarize ambulance drivers, fire persons and police with the alternates. *(1997 FEIR Measure I-9c)*

G.13 An inspection schedule should be developed and followed for regular inspection and evaluation of the condition of the piers. In conjunction with the inspection schedule, a maintenance and repair schedule should be developed and implemented, coordinated with the Port's Capital Plan. *(1997 FEIR Measure I-10a)*

G-14 All open sub-grade structures and pits, whether temporary or permanent, should be provided with protection against damage resulting from adjustment to buoyant and lateral deforming soils.

All construction and design of such projects should provide specific measures to prevent hazards to people and damage to proposed or nearby structures that could result from these adjustments. In some cases, a specific geotechnical investigation may be required for permanent open sub-grade structures and open underground structures. *(1997 FEIR Measure I-2)*

G-15 Prior to any construction that would require dewatering, the applicant should submit and the Port should review a dewatering and excavation plan and an analysis of potential impact to adjacent properties to determine whether the potential exists to damage off-site property.

As a standard practice, the Port should require an application package that will indicate the amount of dewatering and the period over which dewatering may be required. The package should include a survey of adjacent structures with information concerning their age, foundation type, construction type, status as a historic landmark or structure of special significance, and record of any existing damage. The package should also identify adjacent City streets, the location of buried infrastructure, and an evaluation of groundwater quality, flow patterns, and disposal. In addition, the application should indicate any specific mitigation measures incorporated into the project to minimize hazards to structures and groundwater. *(1997 FEIR Measure I-3a)*

G-16 To minimize dewatering hazards, construction projects should provide shoring of all excavation pit walls, and provide supports to adjacent structures, including foundation support if needed. *(1997 FEIR Measure I-3b)*

G-17 All applicants for construction projects involving dewatering (as well as vibration-inducing pile driving) should post a surety bond or other equivalent mechanism to cover the costs of potential damage to off-site property from construction. (The bond is included in this EIR as a mitigation measure because of the uncertainty that other mitigation measures would protect off-site property from damage. If needed, the bond would be used to repair off-site damage and thus mitigate that impact.) The amount of the bond would be determined by the Port. *(1997 FEIR Measure I-3c)*

G-18 Prior to any construction that would require dewatering or pile driving, the Port should notify all property owners within 200 feet of the proposed construction activity at least 30 days prior to the date of initiating demolition or excavation, whichever is the first activity to occur. The Port should provide an opportunity for all property owners to comment on the construction activity and allow them the opportunity to have their property photo-documented for its pre-construction condition. The Port is responsible for inspection of construction activities and should note any observations of proven or suspected subsidence damage on the site and at adjacent sites. This measure would allow adjacent property owners to document the condition of their property prior to initiation of an activity that could result in damage. If damage does occur, the measure would help to identify the extent of the damage caused by construction within the Project Area. *(1997 FEIR Measure I-3d)*

G-19 For impacts from pile driving, the Port and project sponsors should implement Measures G-16 through G-19. *(1997 FEIR Measure I-4)*

G-20 Proposed new dredging activities (deeper than the designed depth or in different locations than ongoing maintenance dredging) should be reviewed by an engineering geologist to assess potential hazards to Port facilities. Dredging programs in areas with a past history or high potential for lateral movement of Bay Mud should be designed to hold a slope without readjustment or slippage. (This measure would apply to suction and clamshell dredging.)

To minimize slope failure in the Bay sediments, dredged cuts should be properly designed and dredged, as recommended by the engineering geologist. Typically, subestuarine slopes in soft Bay sediments are cut at 3:1 to 6:1 (horizontal to vertical ratio).[47] *(1997 FEIR Measure I-5)*

G-21 If demolition is not immediately followed by redevelopment, the Port or project sponsor, as determined by the Port, should carry out effective measures that leave the site of all demolished buildings in a condition that will not pose a life safety hazard or potential to damage adjacent properties.

Such measures should include removal and or proper sealing of pipes (including water, gas, and sewer lines), establishment of effective shoring or construction of retaining walls for unstable pit walls, filling of basements that create hazardous conditions, removal of hazardous substances, and other measures as deemed appropriate at a specific site, such as fencing. The Port would be responsible for vacant lands that may include the hazards identified in the Geology, Soils and

[47] U.S. Department of the Navy, Western Division, Naval Facilities Engineering Command, EIS: Homeporting Battleship Battlegroup/Cruiser Destroyer Group, p. 7-4, 1987.

Seismicity section of the WLUP FEIR. The above measures are minimum requirements to ensure that hazards would be held at acceptable levels until such time as land development could occur. The Port would be responsible for carrying out the mitigation or overseeing compliance with it. *(1997 FEIR Measure I-6)*

H. HISTORIC ARCHITECTURAL RESOURCES

REVISED MEASURE FROM THE 1997 WATERFRONT PLAN FEIR IDENTIFIED IN THIS SEIR

The Waterfront Plan FEIR included an historic resources survey in the Pier 70 area (ARG, 1996). That survey identified Building 116, proposed for reuse by Waste Resources Technologies, as a potential contributor to a potential Pier 70 historic district. Accordingly, the following more specific measure supplements the general measures included in the 1997 FEIR (which shall continue to apply to other buildings in the Pier 70 area).

H.1 To avoid adverse effects on the potential historic district at Pier 70, the Port should ensure that a qualified historic preservation architect reviews the proposed renovation plans for Building 116 at Pier 70 prior to issuance of any demolition or building permit for the project component that would reuse this building. To the extent that exterior changes are to be made to Building 116, these changes should be consistent with the maritime/industrial character of the Pier 70 area, particularly with regard to the rear of the building, abutting Michigan Street, consistent with the Waterfront Plan Design and Access Element direction to preserve views of the historic warehouses (including Building 116).

I. ARCHAEOLOGICAL RESOURCES

REVISED MEASURE FROM THE 1997 WATERFRONT PLAN FEIR, AS APPROVED BY THE PORT COMMISSION, JUNE 1997 (Included in the Project)

I.1. Given the possibility that subsurface archaeological resources exist in the Southern Waterfront project area, yet the inherent uncertainty about the specific locations and scope of such buried resources, the Port or sponsor of individual future project(s), as determined by the Port, shall retain an archaeologist as early as is practical in the site selection or schematic design stage of future development project(s) that would involve excavation or other substantial soil disturbance of greater than four feet in depth. The archaeologist would prepare a brief preliminary site-specific evaluation or letter report, based on existing archival report information, assessing the archaeological sensitivity of the specific site(s) under consideration relative to the scope of excavation proposed. The archaeologist would consider the history of fill soils on the site(s) in the assessment of the potential for significant archaeological resources to exist and be disturbed or destroyed by the contemplated project, and make recommendations on subsequent actions designed to ensure the protection of potentially significant resources.

Based on the initial site-specific report, the archaeologist and the Environmental Review Officer (ERO) would determine whether a more detailed site assessment is warranted, the results of which could include an appropriate course of action necessary to minimize the disturbance to significant

archaeological resources, and/or maximize information recovery where such disturbance cannot be avoided. Depending on the expected sensitivity of the area to be excavated, this could include a program of pre-construction testing, excavation monitoring, or both. If the ERO concurs with a preliminary evaluation determining that a project site has no potential to contain significant archaeological resources that could be impacted by a proposed development (which may commonly occur in the areas of recent fill or disturbance, such as most of the waterfront south of China Basin), then this measure would be satisfied and archaeological issues would no longer be a concern for that particular development project.

If, based on the likelihood of encountering significant archaeological resources as identified in the site assessment report(s), the archaeologist and the ERO determine that pre-construction testing is warranted to better determine the probability of finding cultural remains, the sponsor would retain the services of an archaeologist familiar with prehistoric and urban historical archaeology, and San Francisco specifically. The archaeologist would carry out a pre-excavation testing program using a series of mechanical, exploratory borings or trenches and/or other testing methods determined by the archaeologist and the ERO to be appropriate.

If, after testing, the archaeologist determines that no further investigations or precautions are necessary to safeguard potentially significant archaeological resources, the archaeologist would submit a written report to the ERO, with a copy to the project sponsor. If the archaeologist determines that further investigations or precautions are necessary, he/she should consult with the ERO and they should jointly determine what additional procedures are necessary to minimize potential effects on archaeological resources.

These additional mitigation measures would be implemented by the project sponsor and might include a program of on-site monitoring of all site excavation, during which the archaeologist would record observations in a permanent log. The monitoring program, whether or not there are finds of significance, would result in a written report to be submitted first and directly to the ERO, with a copy to the project sponsor. During the monitoring program, the project sponsor would designate one individual on site as his/her representative. This representative would have the authority to direct and suspend work at the site to give the archaeologist time to investigate and evaluate archaeological resources should they be encountered.

Should evidence of cultural resources of potential significance be found during the monitoring program, the archaeologist would immediately notify the ERO, and the project sponsor would halt any activities which the archaeologist and the ERO jointly determine could damage such cultural resources. Ground-disturbing activities which might damage cultural resources would be suspended for a total maximum of four weeks over the course of construction.

If prehistoric archaeological deposits are fortuitously discovered, the California Native American Heritage Commission in Sacramento and local Native American organizations should be consulted and involved in making resource management decisions. All applicable legal requirements concerning the treatment of cultural materials and Native American burials should be enforced.

After notifying the ERO, the archaeologist would prepare a written report to be submitted first and directly to the ERO, with a copy to the project sponsor, which would contain an assessment of the potential significance of the find and recommendations for what measures should be implemented to minimize potential effects on archaeological resources. Based on this report, the ERO would

recommend specific additional mitigation measures to be implemented by the project sponsor. These additional mitigation measures might include a site security program, additional on-site investigations by the archaeologist, and/or documentation, preservation, and recovery of cultural material.

Finally, the archaeologist would prepare a report documenting the cultural resources that were discovered, an evaluation as to their significance, and a description as to how any archaeological testing, exploration and/or recovery program was conducted.

Copies of all draft reports prepared according to this mitigation measure would be sent first and directly to the ERO for review. Following approval by the ERO, copies of the final report would be sent to the President of the Landmarks Preservation Advisory Board and the California Historical Resources Information System Northwest Information Center. Three copies of the final archaeology report(s) shall be submitted to the Office of Major Environmental Analysis of the Planning Department, accompanied by copies of the transmittals documenting its distribution to the President of the Landmarks Preservation Advisory Board and the California Archaeological Site Survey Northwest Information Center. *(1997 FEIR Measure O-1b)*

Based on the descriptions of the Industry Group project components and the proposed Illinois Street bridge, minimal excavation would be required, and none of these project components would appear to have the potential to disturb subsurface cultural resources, should such resources be present at a particular project component site. Measure I.1 above would apply, however, to future Port development.

J. MEASURES FROM THE 1997 WATERFRONT PLAN FEIR NOT APPLICABLE TO THE PROJECT ANALYZED IN THIS SEIR

TRANSPORTATION

- Under Alternative A for the weekday P.M. peak hour, the intersection of The Embarcadero and Bay Street would be at LOS E, an unacceptable service level. A right turn arrow for the Bay Street approach to the intersection would improve this condition to LOS D, an acceptable level of service. *(1997 FEIR Measure D-1)*

- Under Alternative B for the weekday P.M. peak hour and during the Saturday midday peak hour, the intersection of The Embarcadero and Bay Street would operate at LOS F, an unacceptable service level. A right turn arrow for the Bay Street approach to the intersection eastbound would improve weekday P.M. peak hour delay time by about 40 seconds; however, the LOS would remain at F. With the right turn arrow, the Saturday midday peak hour service level would improve from LOS F to D, an acceptable service level. *(1997 FEIR Measure D-2)*

- Also under Alternative B for the weekday P.M. peak hour, the intersection of The Embarcadero and North Point would operate at LOS E. Providing a right turn pocket, by removing two to three parking spaces and removing the red zone along the southern edge of North Point Street approaching the intersection (assuming this bus stop will not be needed in the future with the F-line operation), would improve this intersection to LOS D. *(1997 FEIR Measure D-3)*

- To reduce vehicular traffic, and to accommodate demand for transit along The Embarcadero generated by Alternative B, additional transit capacity along The Embarcadero (with direct connection between Fisherman's Wharf and the South Beach/China Basin subareas) would be needed, particularly on weekends. Ideally, additional Muni service (e.g., additional F-Line streetcars, continual service along the full length of The Embarcadero [formerly proposed as the E-Line], F-Line supplemented by reinstating 32-Embarcadero bus service, or some combination of these) should be provided. If conditions warrant such additional transit capacity, the Port and/or its tenants should provide financial assistance to Muni for both capital and operating costs. If augmentation of Muni service is determined to be infeasible, and/or the degree of augmented Muni service is not sufficient to meet demand, the Port and/or its tenants could institute private transit shuttle services along The Embarcadero with stops located to increase accessibility to and the attractiveness of regional transit (e.g. BART, Caltrain, SamTrans and ferries). *(1997 FEIR Measure D-5)*

- Under Alternative B significant numbers of short transit trips along The Embarcadero north of the Ferry Building are forecast, which would primarily have an impact on the Muni F-Line, particularly on weekends. Alternative B would also generate new demand for Muni service that could cause significant congestion on individual lines Citywide. Muni may not have sufficient operating funds to provide additional seating capacity over that currently projected. Several options are available to help mitigate this impact.

  A. The Transit Impact Development Fee Ordinance currently is applicable only to net new office development within a specific geographic area. The Ordinance could be amended to specifically apply to development within the Project Area, although the amount of net new office growth in the Project Area would not be large and thus would provide limited additional revenue to Muni to help support additional transit service on The Embarcadero. The TIDF could also be amended to be more inclusive in terms of the land uses that would trigger imposition of the fee on a developer, while continuing to be related primarily to special (extraordinary) demand for peak period service.

  B. A new funding mechanism for Muni could be enacted, such as a Special Transit Assessment District. Various proposals for alternative funding mechanisms have been put forward in the past. The Port should actively support future proposals which are designed to provide additional operating and capital resources to Muni, including any future local proposals for a special district, tax or fee that would support Muni services, and any future proposals before the State and federal legislatures which would provide additional financial resources to Muni for both operations and capital projects. The Port could also be an advocate for specific transit capital projects that would enhance Muni service to the Project Area.

  C. The San Francisco half-cent sales tax for transportation expires in the year 2009. The Transportation Expenditure Plan establishes a prioritized list of specific projects for use of these funds. It is possible, if not likely, that the San Francisco County Transportation Authority, which administers the sales tax funds, may seek reauthorization of the sales tax prior to its expiration. A new Transportation Expenditure Plan would need to be prepared to support such reauthorization. The Port should actively support identification of specific transit improvements along the waterfront which could help mitigate unmet transit demand identified in this EIR as a component of this Expenditure Plan.

D. The Port and/or its tenants could directly provide funds to Muni for additional waterfront transit service. Such direct payment to Muni might be partially financed from additional revenues to the Port resulting from Waterfront Land Use Plan (WLUP) development. *(1997 FEIR Measure D-6)*

VISUAL QUALITY

Subsequent to certification of the 1997 Waterfront Plan FEIR and adoption of the Waterfront Land Use Plan, the Port adopted design guidelines for the waterfront. The Waterfront Plan's Design and Access Element includes language calling for preservation of historic resources, including – in the Southern Waterfront Area – the principal Union Works Buildings at Pier 70 (Buildings 101, 102, and 104 on the north side of 20th Street east of Illinois Street, and, if feasible, Buildings 113-114 on the south side of 20th Street). The Design and Access Element states also that "additional Pier 70 resources may be identified for preservation following further research and analysis of Pier 70's periods of historical significance and the feasibility of reusing individual buildings." Outside the Southern Waterfront, the Port is considering nominating historic buildings along the waterfront from China Basin north to Fisherman's Wharf as National Register Historic District. Accordingly, visual quality mitigation measures from the 1997 WLUP FEIR have largely been completed. The Port is required to consider visual quality objectives early in the development of proposed projects, evaluate projects against standards in the Design and Access Element, and ensure that project approvals are consistent with the adopted standards.

GEOLOGY, SOILS, AND SEISMICITY

- New high-occupancy mid-rise structures (i.e., on the order of 6 to 15 stories) in the Project Area should be designed with the aid of a dynamic method analysis. The Port should consider establishing specific building design criteria developed by a task force of structural engineers to determine which types of structures (considering framing system, foundation, height and massing) should be designed using a dynamic method analysis and adopt this requirement as a Waterfront Land Use Plan policy.

  The severe ground shaking hazards of Port lands indicate that large structures (including high-occupancy mid-rise structures) should be designed to meet seismic resistance standards greater than the minimum standards in the UBC. The UBC does not require this except for certain buildings (none of which are specifically identified in the Waterfront Land Use Plan, although the Ferry Terminal is being designed as an "essential structure," to more stringent earthquake force design requirements. Fire and police stations, hospitals and schools also would be essential structures). Currently, the best available method for achieving this end is the use of a dynamic method analysis for the design of the buildings. This method incorporates a consideration of the response of the site soils to earthquakes generated in the region. For each building, the site response spectra are modeled and incorporated into the structural design. As noted in the Geology, Soils and Seismicity of the WLUP FEIR, the entire Project Area should be considered part of a "special studies zone" in which the severe earthquake hazards of ground shaking and secondary effects are evaluated and incorporated into structural designs. Use of a dynamic method analysis substantially enhances the chances that the new building would be more resistant to collapse and damage from a major earthquake than if it meets only the minimum UBC requirements. The higher costs associated with using the method and applying it in design and construction likely are

significantly less than those that would result from a building being red-tagged or required to undergo substantial repair following a major earthquake. *(1997 FEIR Measure I-7a)*

- Piers that are in poor condition should be repaired or demolished and removed. If repaired, piles that are deteriorated should be replaced or the portion that is rotted or deteriorated should be cut off and replaced with a concrete steel sleeve. A structural engineer should be consulted regarding the repair of the piers. *(1997 FEIR Measure I-10b)*

- At the time of anticipated tsunami incursion, the San Francisco Police Department should close off the immediate waterfront area of Aquatic Park, Fisherman's Wharf and the Hyde Street Pier to the public; all marina operators should close off access to the docks for the public and boat owners; and ferry boat operators should prevent people from standing on water-level ferry loading docks everywhere in the Project Area. *(1997 FEIR Measure I-11a)*

  This mitigation measure would help to reduce the potential for casualties to occur from tsunami by keeping people away from areas where injury could occur. Damage to facilities would not be mitigated.

- To reduce potential damage to facilities from tsunami, consider constructing larger and higher breakwaters at the Hyde Street Pier, Fisherman's Wharf and marinas. The infrequency of tsunami may not warrant the cost and environmental impact of breakwater reconstruction. *(1997 FEIR Measure I-11b)*

REFERENCES – Mitigation Measures

ARG (Architectural Resources Group), "Port of San Francisco Historic Resources Data B." November 1996.

Stormwater Quality Task Force, *Industrial/Commercial Best Management Practices Handbook*, prepared by Camp Dresser & McKee, et. al., March 1993.

SOUTHERN WATERFRONT SEIR
New or revised Mitigation Measures presented in the Draft Summary of Comments and Responses
January 26, 2001

In addition, the second-to-last sentence in Mitigation Measure C.1 (SEIR p. 146 and p. S-30) is revised as follows (new text is underlined):

> Aggregate shall be stored in bunkers at ready-mix and asphalt plants, rather than open piles, with water spray (including the use of surfactants, as necessary, to bind the water and dust to the aggregate) applied to maintain adequate moisture content to control emissions at both production and shipping/storage operations.

The above revision is also made to the second to last sentence of the second full paragraph on SEIR p. 91, and the last sentence on p. S-16 in the Summary.

E-2) Mitigation Measure E.3, SEIR p. 152 (and p. A-36) is reworded as follows to clarify (new and revised text shown underlined; deleted text shown in ~~strikethrough~~; deleted commas indicated by brackets ([])):

> The Port shall contract for[] or require that Port tenant(s) contract for[] disposal of any portion of the soil pile on the Bode and Mission Valley Rock sites at Pier 92 that cannot be reused for construction projects in accordance with applicable waste disposal regulations.[] Such reuse would also require approval of the San Francisco Department of Public Health~~, for construction projects in accordance with applicable waste disposal regulations~~.

E-3) The comment is noted. Pending approval of the risk-reduction plan for diesel-fueled vehicles was identified in the SEIR on pp. 71-72. Although approved by the Air Resources Board (ARB), the plan is not regulatory in nature and will require development by ARB staff of a series of regulations aimed at reducing diesel emissions. The SEIR analysis therefore remains valid. To acknowledge approval of the plan, the last sentence on SEIR p. 71, continuing to p. 72, along with the following sentence, are revised as follows (new and revised text shown underlined; deleted text shown in ~~strikethrough~~):

> The CARB board ~~is scheduled to consider approval of~~ approved the draft diesel risk reduction plan on September 28, 2000. and ~~. If the CARB board approves the draft plan, it is likely then to direct~~ CARB staff ~~to~~ will begin development of the regulatory program identified in the plan.

non-native pampas grass, and ice plant. Portions of this upland area are currently being used as a construction materials handling and storage area.

None of the project components would affect the two wetland areas at Pier 98. Pier 98, Heron's Head Park, would continue to be designated and managed as a shoreline park. Its primary attributes will probably continue to be bird observation and as a walking trail. Without substrate restoration activities, the marsh vegetation will likely remain sparse. Upland areas in the Park will probably remain non-native for trailside bordering.

As stated on p. 141 of the SEIR, there would be no encroachment onto the wetlands at Pier 94 from either the British Pacific Aggregates (now Hanson Aggregates) aggregate import terminal at Pier 94 or from the Port's proposed dredge material handling facility, upland from the wetlands. The Pier 94 wetland would remain intact and unaffected by current and proposed uses of the adjacent upland areas for fill handling and dredged material disposal. Neither of these activities would encourage development or human use of the wetlands. Any effluent from the disposal of dredged material above this location would be discharged to the bay in accordance with water quality permits from the Regional Water Quality Control Board and would not impair the wetland site. As noted in the SEIR, the BPA/Hanson aggregate terminal would be located on the paved portion of Pier 94, which is developed as one of the Port's existing cargo terminals. There is an existing fence that separates the paved portion of Pier 94 from the unpaved area to the north that contains the wetlands and the undeveloped backlands of Seawall Lot 352. In general, potential impacts to wetlands would be avoided or mitigated due to compliance with regulations under the jurisdiction of the U.S. Army Corps of Engineers. Thus, any potential impacts would be less than significant. Similarly, potential impacts to special status species would be mitigated to a less-than-significant level due to compliance with regulatory requirements under the jurisdiction of the U.S. Fish and Wildlife Service and the California Department of Fish and Game. Nonetheless, the Port has agreed to implement the following measure to further reduce these less-than-significant impacts.

Prior to the start of any ground-disturbing construction activity on the proposed dredge material handling facility at Pier 94, the Port shall engage a qualified biologist or other professional to conduct a wetlands delineation of the emergent wetlands at Pier 94, just south of the mouth of the Islais Creek Channel. Once the delineation is complete and mapped, the Port shall erect a permanent fence around the wetlands, including a 200- to 300-foot upland buffer, with allowance for pedestrian access for wetlands monitoring and research Detailed design of the buffer and fence would be developed as part of a biological assessment to be completed (see below).

Also prior to the start of any ground-disturbing construction activity on the proposed dredge material handling facility at Pier 94, the Port shall engage a qualified biologist or other professional to conduct a wildlife survey of the northeastern portion of the Pier 90-94 backlands; that is, the area between the

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emergent wetlands and a line extending northwest to Islais Creek from the southwest boundary of the paved portion of Piers 94-96. The biologist shall identify any special status plants and animals, and any habitat that supports such species in the area. Should special status species or related habitat be identified, the Port shall consult with the U.S. Fish and Wildlife Service and the California Department of Fish and Game, and shall either reconfigure the dredge material storage facility to eliminate potential impacts or relocate the proposed facility to avoid the species/habitat.

As part of the planning process for the Pier 90-94 backlands, and prior to the approval by the Port Commission of any development plan for the Pier 90-94 backlands, the Port shall engage a qualified biologist or other professional to conduct a wildlife survey of the southwestern portion of the Pier 90-94 backlands; that is, the area not included in the above survey. The biologist shall identify any special status plants and animals, and any habitat that supports such species in the area. Should special status species or related habitat be identified, the Port shall consult with the U.S. Fish and Wildlife Service and the California Department of Fish and Game, and shall either reconfigure the dredge material storage facility to eliminate potential impacts or relocate the proposed facility to avoid the species/habitat.

The Port shall make the results of the above survey(s) publicly available, in the form of a Biotic Assessment. The assessment shall include sections on methodologies used, persons consulted, description and mapping of sensitive habitats, potential impacts and mitigation, and recommendations for enhancement and monitoring. The names and qualifications of the report preparers shall be included as well.

H-14) Regarding the asphalt plant(s), it is noted that Alternative B, SEIR p. 169, would not include development of any asphalt plants in the project area.

Concerning indoor ready-mix concrete batch plants, it is noted that these facilities would be a relatively small contributor to emissions of criteria air pollutants, in that aggregate-handling operations would maintain a moisture content in the aggregate that is high enough to eliminate wind-blown dust that could otherwise escape into the surrounding air (SEIR p. 91). In fact, the greatest volume of project emissions would be generated ship and rail traffic, particularly on days when ships call at the Port's terminals. Therefore, the complete enclosure of concrete plants would result in relatively little decrease in emissions. Regarding the fly ash operation proposed for Pier 90, as stated on SEIR p. 14. this facility would include enclosure of the conveyor system and installation of state-of-the-art dust control systems on the silos and conveyor system.

Because the regulatory environment with regard to diesel engines is rapidly changing, a series of measures as part of a clean fuel program is included in Mitigation Measure C.3, SEIR p. 147.

of the figures in Table 20 appears to indicate that the increase in wastewater would result in an increase in CSO volume in Islais Creek of less than 1 percent. Therefore, the impact is considered less than significant.

I-2) The commenter correctly notes that sediment is the major potential water quality concern addressed in the SEIR, because several of the Industry Group project components would handle large quantities of aggregate, including gravel of various sizes, as well as sand, Portland cement, and fly ash. Furthermore, most contaminants in stormwater are adhered to particles, so removal of sediment is one of the best ways to minimize stormwater pollution in general.

As stated by the commenter, the pH (acidity or akalinity) of water discharged from ready-mix concrete plants can be of concern. In particular, akaline compounds in Portland cement can result in high pH readings that can be harmful to fish and other marine life. As stated in the SEIR (p. 111), each of the Industry Group components would be required to comply with National Pollutant Discharge Elimination System (NPDES) permit requirements, which would include preparation of a site-specific Stormwater Pollution Prevention Plan. Typically, a NPDES permit includes limitations on the contents of water to discharged to a water body such as San Francisco Bay, including limits for pH and sediment. In addition, separation process wastewater from stormwater would reduce the potential for stormwater to be contaminated. Accordingly, the following is added to the bulleted list of potential Best Management Practices accompanying Mitigation Measure D.2 on SEIR pp. 149-150 (and in the summary on p. S-33):

- separating stormwater from process water, such as concrete truck washout water and truck wash water, through the use of berms and other features, and ensuring that treated stormwater to be discharged to the Bay meets applicable permit and regulatory standards, including pH (acidity or akalinity).

Other dissolved pollutants in stormwater can include heavy metals such as lead, zinc, and copper, which originate from motor vehicles and highway structures, moving engine parts, automotive lubricating oils, brake pad wear, pesticide and fungicide application, and other sources. (Lead concentrations in the roadside environment have declined in the last 20 years since the introduction of unleaded gasoline.) Dissolved quantities of petroleum byproducts in stormwater also result from motor vehicles and other sources of petroleum combustion. In particular, polynuclear aromatic hydrocarbons are contaminants derived from petroleum products and combustion of organic materials. Removal of dissolved pollutants, particularly metals and particularly at higher concentrations, poses problems even for municipal treatment plants, and therefore source control (i.e., avoiding the introduction of these pollutants to stormwater in the first place) is often the preferred means of reducing dissolved pollutant loads although, in practice, it is difficult to remove roadside pollutants. However, implementation of Best Management Practices by the Industry Group components and at Future Port Development sites, as described in SEIR Mitigation Measures D.2, D.3, and D.4, would reduce dissolved

reduce potential particulate emissions. In addition, the Port routinely requires, as part of its tenant lease agreements, that tenants implement an ongoing dust mitigation monitoring problem.

Routine monitoring, by contrast, would not do anything to reduce or eliminate particulate emissions. Furthermore, monitoring at one or more of the sensitive receptors identified in the SEIR would not allow for identification of the sources of particulates. Spot monitoring could be employed, at one or more potential sources of emissions – such as Industry Group component sites – as part of the Port's mitigation monitoring program, to ensure that project sponsors are complying with mitigation measures identified in the SEIR. Spot monitoring might also be used in the event that a problem is perceived; this might be an instance in which observation indicates that a mitigation measure is not being implemented or a complaint is received concerning dust.

Issues such as tree planting are regularly considered as part of lease and development approval actions. While street trees can provide visual screening of industrial operations, they would be of limited benefit to air quality because they would not affect winds and air currents except at street level, whereas most major pollutant sources (exhaust stacks on industrial facilities and ships and even truck exhaust pipes) are at a greater height. Street trees could, however, provide incremental benefits with regard to roadside emissions.

J-12) The following is added as a new mitigation measure on p. 149 (and to p. S-32 in the Summary) of the SEIR:

MEASURE IDENTIFIED IN THIS SEIR

C.6 Consistent with the construction-period dust abatement program described in Mitigation Measure C.5, the Port shall require that Industry Group components and other aggregate-related tenants employ dust abatement procedures including, but not necessarily limited to, the following:

- installation and operation of truck wheel-washing systems at plant exits for facilities that operate on unpaved surfaces;
- daily street sweeping on streets surrounding aggregate-related facilities; and
- clearly posting on the exterior wall or fence of such facilities a company telephone number for citizens to call with dust, noise, or other operational complaints, and designation of a Port staff contact for same.

In addition, the following is added to the bulleted list of practices in Mitigation Measure D.2 on p. 149 (and p. S-33 in the Summary) of the SEIR:

- daily street sweeping of surrounding streets and, for facilities that operate on unpaved surfaces, installation and operation of truck wheel-washing systems at aggregate-related plants;

Concerning the Notice of Preparation for the SEIR, the NOP issued by the Planning Department, dated June 12, 1999, includes the following text:

> British Pacific Aggregates: bulk cargo and asphalt batching plant use at a Pier 94-96 location, requiring about 436,000 sf of land.

Although the Mission Valley Rock project component was not described in the NOP as including asphalt production, as described above, the SEIR analyses were based on assumptions of overall Industry Group production for both concrete and asphalt. As with concrete, the SEIR does not assume that British Pacific will produce asphalt; rather the asphalt production is assigned, for analysis purposes, to Mission Valley Rock. As discussed above, production of asphalt by BPA (now Hanson Aggregates) would be contingent on that company capturing a share of the local market, and would not increase overall production in the project area, but rather reallocate the total volume of asphalt produced.

To more clearly link the SEIR production assumptions to lease conditions, the Port has agreed to include the following mitigation measure as part of the project. This measure is added to the end of SEIR p. 147 (and to p. S-31 in the Summary):

C.4A To regulate the production of concrete or asphalt material consistent with the volumes analyzed in the Southern Waterfront SEIR, any lease for concrete or asphalt batching operations on Port property shall include a provision setting forth the maximum production volume allowed under the lease, such that the cumulative total of production volumes of such batching operation leases shall not exceed the volumes assumed and analyzed in the SEIR.

To monitor production volumes that may occur on Port property, the Port shall require as a condition of each lease that each tenant provide annually an audited account of the concrete and/or asphalt production volumes provided by each concrete or asphalt production business. The Port shall incorporate this information in an annual report to the Port Commission.

Should any existing tenants propose to increase production above the amounts stipulated in the lease, such change would require an amendment to the lease, and would be subject to further environmental review by the San Francisco Planning Department's Major Environmental Assessment (MEA) division. In determining whether further environmental impact analysis will be required, MEA will consider the production levels cited in the Port's report and any emission-reducing improvements that may have been incorporated into the on-site operations (stationary sources), and trucks and other vehicles associated with the operations (mobile sources).

K-2) As stated on p. 47 of the SEIR, although a large number of vehicle trips related to the Industry Group project components are currently being made, under existing conditions, to and from other

PORT OF SAN FRANCISCO

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MEMORANDUM

February 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation and Status Report on the Ferry Building Rehabilitation Project.

The Port Commission on November 17, 1998 (Resolution No. 98-114) awarded William Wilson and Associates an Exclusive Right to Negotiate agreement for the rehabilitation of the Ferry Building. The Commission on August 24, 1999 (Resolution No. 99-67) approved the form and substance of the Lease Deposition and Development Agreement and Ground Lease with Wilson Cornerstone, the successor in interest to William Wilson and Associates, for the rehabilitation of the Ferry Building, and later modified the Lease on September 21, 1999 (Resolution No. 99-77).

Rehabilitation of the Ferry Building is now approaching. Ferry Building Investors, LLC, the successor in interest to Wilson Cornerstone, has agreed upon March 22, 2001 for the Close of Escrow and plans to commence rehabilitation of the Ferry Building immediately thereafter.

As the Commission knows, the Port itself is relocating and will reopen its administrative offices at Pier 1 next week. The next Commission Meeting held in the Ferry Building, in mid-2003, will be in a new second-floor public meeting room adjoining the Great Seal of the State of California, in a new bayside location entered off the restored Grand Nave of the Ferry Building.

All short-term tenants have left the building, and the three tenants with long-term leases are in the process of vacating the premises. The Limbach & Limbach attorneys have largely

THIS PRINT COVERS CALENDAR ITEM NO. 5A

relocated, and will be fully out of the building by the end of the month. The World Trade Club will cease operations at the end of the month, and be fully out of the building by the end of March. Amtrak will relocate its terminal once its new terminal is completed in the Agriculture Building, sometime between mid-March and mid-April.

The Port's agreement with Ferry Building Investors allows them to begin hazardous materials abatement in the building prior to the close of escrow. They have secured a Port permit and begun this work in those portions of the building that are fully vacated, i.e., the first and second floors in the north wing, and the first floor of the south wing (excluding the Port's garage). In order to facilitate this work, the Port has already vacated its ground floor storeroom and adjacent office areas. The abatement work includes "soft" demolition of surfaces and non-structural elements where needed to access hazardous materials.

The construction barricades now partially around the building will encircle the building once construction is fully underway. The barricades will include directional signage for the ferries and Amtrak, and descriptive information about the Ferry Building's restoration.

Ferry Building Investors, LLC have been invited to participate in this information presentation, to provide more information about their plans for the now imminent restoration of the Ferry Building.

Prepared by: Alec Bash, AICP, Waterfront Planner—Special Projects

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MEMORANDUM

February 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation on the Ferry Building Waterfront Underground Garage Project, southern portion of Assessor's Block 202, bounded by The Embarcadero, the Clay Street extension, and Drumm and Washington Streets.

Port staff have been in discussions with S.F. Parking Authority staff regarding construction of an underground garage in the southern portion of Assessor's Block 202, bounded by The Embarcadero, the Clay Street extension, and Drumm and Washington Streets. The property is under the jurisdiction of the S.F. Department of Public Works. The concept under discussion is for a three-level underground garage, accommodating approximately 445 parking spaces. The S.F. Board of Supervisors in 1996 (Resolution No. 828-96) gave preliminary endorsement to a two-level underground garage for up to 350 parking spaces, provided that construction not begin until the Port had entered into a contract to rehabilitate the Ferry Building. Many additional parking spaces have been removed from the Ferry building Waterfront Area since that time.

Open space would be developed and maintained above the garage and function as an expanded portion of the adjoining open space under the jurisdiction of the Recreation and Parks Department—just as it does now. The garage would provide partial replacement for about 1,200 parking spaces that have recently been removed—or will soon be removed—along The Embarcadero or on piers and marginal wharves over the water in the Ferry Building Waterfront Area (see attached table). Replacement of this portion (about 37%) of the parking that has been removed is considered critical to the viability of much of the marketplace and other visitor-oriented activity planned for the Ferry Building Waterfront Area.

THIS PRINT COVERS CALENDAR ITEM NO. **5B**

Background

Pursuant to previous Port Commission actions in the 1990s, rehabilitation of the Ferry Building is imminent. Ferry Building Investors, LLC, the developer, plans to commence restoration of the Ferry Building, one of the highest priorities of the Port's Waterfront Land Use Plan, at the end of next month. The Ferry Building on its ground level will offer a marketplace with a wide variety of food stalls, four restaurants, and transit facilities for the Downtown Ferry Terminal, now nearing completion. Offices and the Port Commission hearing room, and restoration of the Grand Nave as a predominantly public space, will be on the second and third levels.

Other Ferry Building Waterfront Area development includes Pier 1, converted under historic preservation guidelines from a 220-stall parking garage to offices for the Port and its partner in this development, AMB Property Corporation. At Pier 3, Hornblower Cruises and Events is converting the open pier from exclusively parking to include cruise and event space as well, reducing available parking from about 250 to 150 spaces. Finally, the Commission has also recently awarded San Francisco Waterfront Partners, LLC the opportunity to enter into an Exclusive Right to Negotiate agreement for the planned rehabilitation of Piers 1 ½-3-5, which would include four dining establishments.

A major new network of open spaces and public access to the Bay accompanies this redevelopment. All the projects described offer full perimeter public access along the Bay. A Bayside History Walk, newly-planned in conjunction with the S.F. Bay Conservation and Development Commission and Save San Francisco Bay Association, is in its initial conception within Pier 1. The History Walk will extend northerly to Piers 1½-3-5 and beyond as future development occurs.

This waterfront rejuvenation has been preceded by completion of the Embarcadero Roadway, the landscaped boulevard which includes Harry Bridges Plaza, the promenade (Herb Caen Way) and adjoining Rincon Park. This has replaced the Embarcadero Freeway and the acres of exposed waterfront parking underneath and alongside. The development projects described above have removed substantial parking, as will others that will be underway within the next few years (i.e., rehabilitation of the Agriculture Building, and further expansion of the Downtown Ferry Terminal to provide capacity for future water transit demand). The parking that has been removed has all been either over the water or in conflict with plans for enhancement of The Embarcadero as a waterfront asset. Removal of this parking has been consistent with goals, objectives and policies of the Port's Waterfront Land Use Plan, the City's General Plan, and the S.F. Bay Conservation and Development Commission's S.F. Waterfront Special Area Plan, which call for relocating parking from over the water to inland locations.

The Parking Authority presently operates the 1,100-stall Golden Gateway Garage at One Maritime Plaza, a block west of the subject site. With valet service, that garage presently parks about 1,400-1,500 vehicles. Parking Authority staff see operational benefits in managing this garage in conjunction with a smaller, 445-stall facility at Block 202.

Process Now Underway

The Parking Authority has commissioned a feasibility study to assess parking demand, parking rates and estimated revenue, operating costs, cost estimates and debt service, to determine if the garage is financially feasible. Ferry Building Investors has commissioned a companion study for a hazardous materials soils study. These studies should be completed by mid-March.

A similar underground garage was analyzed as part of the Environmental Impact Study/Report (EIS/EIR) for Alternatives to Replacement of the Embarcadero Freeway and the Terminal Separator Structure (92.202E & 94.060E, August 1996. That EIR also analyzed the impacts of a 680-stall garage on the site in conjunction with a mixed use development on Blocks 202 and the adjoining Block 203 (immediately adjacent to the Golden Gateway Garage). The Draft EIR for the Butterfly Discovery Park proposal is scheduled for publication this month, and will include analysis of a 450-stall, 3-level subsurface garage on the southern portion of Block 202.

If the garage appears feasible, Parking Authority staff would refer the matter to their Commission in April. If considered favorably, preparation of construction drawings and refined cost estimates would follow. Issuance of revenue bonds would require Board of Supervisors' and other approvals.

The Parking Authority will have a representative present at the informational presentation who will be available for questions.

Prepared by: Alec Bash, AICP, Waterfront Planner—Special Projects

January 18, 2001

REMOVAL OF PARKING SPACES IN THE FERRY BUILDING WATERFRONT AREA							
Location	Existing	Removal with Downtown Ferry Terminal Phase I and Roadway Project	Removal with Ferry Building Renovation	Removal with Pier 2 Removal	Removal with Other Facility Renovation (Agriculture Building, Piers 1 & 3)	Removal with Pier ½ Demolition (Downtown Ferry Terminal Phase II)	Remaining Parking Spaces
Pier ½	81	40				41	0
South Arcade	15	15					0
South Side Ferry Bldg. and Lagoon Bridge	28	9	19				0
Sinbad's Restaurant	45	6		39			0
Agriculture Building	36	7			29		0
Embarcadero Roadway1	634	615					19
Washington Lot (SWL 351)	134	44					90
Pier 1	220				220		0
Pier 1½	10				10		0
Pier 3	250				100		150
Pier 5	3				3		0
TOTAL	1,456	736	19	39	362	41	259
TOTAL PARKING REMOVAL	1,197						

Note: Excludes Assessor's Block 202 ("potential" parking garage site in southern half).

1 The Roadway Project per DPW letter of 2/13/97 reduces on-street parking from 634 to 182 spaces; 163 of the 182 were to be off-peak spaces, which roadway geometrics have since precluded. They included 6 Pier ½ spaces and 4 Agriculture Building spaces in these totals, which have been subtracted from the figures in this row to avoid double-counting.

FILE NO. 47-96-8 File Copy Do Not Remove RESOLUTION NO. 828-96

(Mid-Embarcadero/Terminal Separator Structure)

PRELIMINARY ENDORSEMENT, AS IN THE PUBLIC INTEREST, OF AN UNDERGROUND PARKING GARAGE OF UP TO 350 SPACES ON THE SOUTHERN HALF OF BLOCK 202 TO BE INCLUDED AS PART OF THE PREFERRED ALTERNATIVE FOR THE MID-EMBARCADERO REPLACEMENT PROJECT AND REQUESTING THE PORT AND THE WATERFRONT TRANSPORTATION PROJECTS OFFICE TO PURSUE FULL FUNDING OF THE MID-EMBARCADERO REPLACEMENT PROJECT, INCLUDING THE UNDERGROUND PARKING GARAGE; PROVIDED THAT PARKING GARAGE CONSTRUCTION WILL NOT BEGIN UNTIL A MAJOR REDEVELOPMENT OR RENOVATION CONTRACT FOR THE FERRY BUILDING HAS BEEN EXECUTED.

WHEREAS, The Board of Supervisors adopted Resolution 100-96 in January 1996 endorsing the DPT Variant with a Mid-Embarcadero Split Roadway as the Preferred Alternative for the Mid-Embarcadero/Terminal Separator Structure Replacement Project; and

WHEREAS, The implementation of the Mid-Embarcadero Roadway Replacement Project will result in the loss of 339 off-street parking spaces on The Embarcadero between Folsom and Broadway and the implementation of the North Embarcadero Project between Broadway and North Point and the South Embarcadero Project between Folsom and King Street has resulted in the loss of an additional 628 parking spaces for a total loss of 967 parking spaces along The Embarcadero, under the jurisdiction of the Port of San Francisco; and

WHEREAS, The replacement of the parking loss in the Mid-Embarcadero Roadway segment is critical to current operation of the Ferry Building, to the economic viability of its future rehabilitation and upgrade, and to providing access to the waterfront; and

WHEREAS, The southern half of Block 202 was previously occupied by the Clay/Washington Freeway ramps and is determined to be the most viable location for an underground parking facility due to its proximity to the Ferry Building and ease of access; and

WHEREAS, The Federal Highway Administration has agreed that functional replacement of parking removed by the Embarcadero Roadway Projects is in the public interest, and on a conceptual basis has approved the request for functional replacement of parking; and

WHEREAS, The estimated federal share of the cost for the Mid-Embarcadero/Terminal Separator Structure Replacement Project preferred alternative, as endorsed by the Board of Supervisors, and the Port replacement parking garage are within the funding cap of $119 million established by the Federal Highway Administration for the combined Mid-Embarcadero/Terminal Separator Structure Replacement Project; and

WHEREAS, The Port of San Francisco has agreed to assume responsibility for funding the local match for the parking garage and for the design, construction, and maintenance of the parking garage; and

WHEREAS, The Port of San Francisco will replace, in conjunction with the construction of the garage, the surface open space on the southern half of Block 202 and provide a smooth transition to the existing open space on the northern half of Block 202 under the jurisdiction of the Recreation and Parks Department; and

WHEREAS, Federal law provides that, in the event that adequate funding for the garage is not identified and functional replacement of the parking is not pursued, the Port

is eligible to be compensated for the appraised market value of the land required for the construction of the transportation project; and

WHEREAS, The Port of San Francisco will assume maintenance responsibility for the open space located directly above the parking garage; and

WHEREAS, The final approval of a Mid-Embarcadero/Terminal Separator Structure Replacement Project will occur after certification by the City Planning Commission of the Final EIS/EIR; now, therefore be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco does hereby preliminarily endorse, as in the public interest, an underground parking garage of up to 350 spaces, on the southern half of Block 202 to be included as part of the preferred alternative for the Mid-Embarcadero Replacement Project, provided that this endorsement is conditioned upon there being no construction on the proposed Port parking garage until a contract has been executed with a developer for a major redevelopment or renovation of the Ferry Building; and be it further

RESOLVED, That the Port and Waterfront Transportation Projects Office are requested to diligently pursue full funding of the Mid-Embarcadero Replacement Project, including the underground parking garage.

a:\ft\maidemb\respark

BOARD OF SUPERVISORS

Adopted - Board of Supervisors, San Francisco September 16, 1996

Ayes: Supervisors Alioto Ammiano Bierman Brown Katz Kaufman Leal Shelley Teng Yaki

Absent: Supervisor Hsieh

I hereby certify that the foregoing resolution was adopted by the Board of Supervisors of the City and County of San Francisco

John L. Taylor
Clerk

File No. 47-96-8

SEP 18 1996
Date Approved

Mayor

PORT OF SAN FRANCISCO

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MEMORANDUM

February 7, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon., Brian McWilliams, Vice President
Hon. Michael Hardeman
Hon. Denise McCarthy
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation on Hotel at Broadway and The Embarcadero

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED.

BACKGROUND

On November 18, 1998 the Port Commission, pursuant to Resolution No. 98-107, issued a Request for Qualifications and Proposals ("RFQ/P") for development of a full-service first-class hotel on parcels located at Broadway and The Embarcadero (shown on the attached Site Plan). Three respondents submitted qualifications in response to the RFQ/P: Stanford Hospitality, Inc.("Stanford"), Promus Hotel Corporation/Koll Development ("Promus"), and Tom Flowers Associates. The Port invited Stanford and Promus to submit proposals for the hotel development opportunity. Stanford was the only respondent to submit a proposal by the deadline of May 18, 1999. On August 10, 1999 the Port Commission authorized staff to enter into exclusive negotiations with Stanford. On November 7, 1999 the Port and Stanford executed an Exclusive Right to Negotiate agreement for a term of six months, with two six-month option periods. Stanford has exercised both options to renew, and the Agreement expires on May 7, 2001.

Stanford has been negotiating with several prominent first-class hotel franchisers, including Hilton, Marriott, Starwood and Embassy Suites, but no brand has yet been selected for the hotel. Stanford first presented its proposed design to the Port Commission in June 1999. Since that date, the design has undergone several revisions, some changes dictated by the hotel operators and some changes based on input from community groups, the Waterfront Design Advisory Committee and the Northeast Waterfront Advisory Group.

THIS PRINT COVERS CALENDAR ITEM NO. 5C

REQUEST FOR PROPOSALS

The development program set forth in the RFQ/P envisions a hotel, not to exceed 65 feet in height, which meets the following minimum requirements:

Total Guest Rooms:	*300+*
Total Parking Spaces:	*Approx. 3x the S.F. Planning Code requirement*
Banquet & Meeting Space:	*10,000 square feet*
Features:	*Public lobby and one or more eating/drinking establishments*
	Other amenities characteristic of a first-class full-service hotel, such as services for business travelers, fitness center, and/or a swimming pool. Retail uses are encouraged on the ground floor along Broadway.

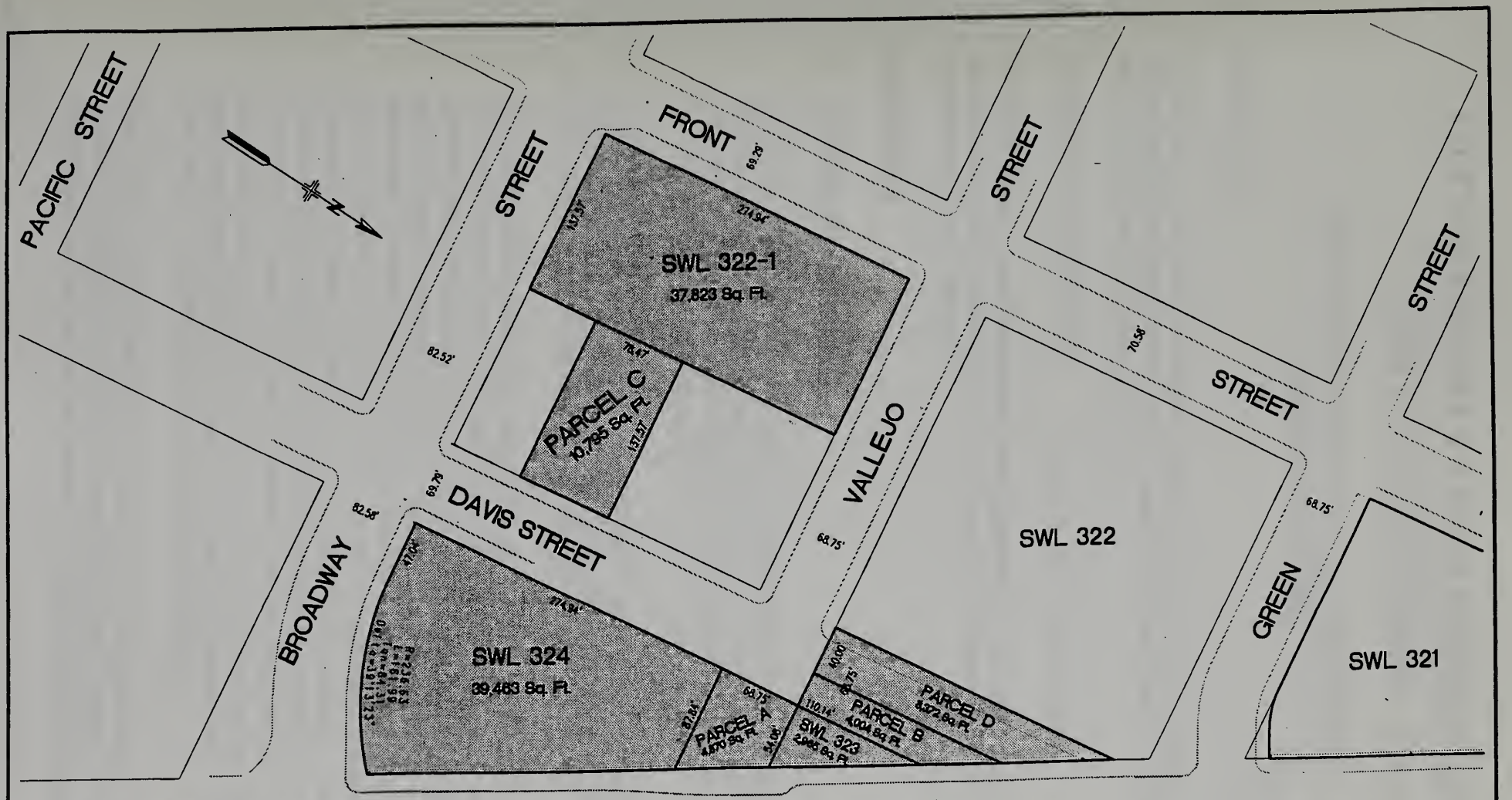
SUMMARY OF STANFORD'S PROPOSAL

Stanford's development concept for the hotel is as follows:

> Entry through a porte cochere on Davis Street, approximately 450 rooms and suites, 20,000 sq ft of meeting space and ballrooms, retail space along Broadway, two hotel restaurants, two cocktail lounges, a European health spa, fitness center, about 230 underground parking spaces and a guest/service bridge over Davis Street.

The presentation today of the hotel design is informational only and will be made by Todd Motoyama, Project Manager for Stanford Hospitality, and the architect, Paul Salisbury of Blunk deMattei Associates Architects. No action by the Commission is being requested.

Prepared by: Jennifer Sobol
Development Project Coordinator



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SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

BROADWAY - EMBARCADERO HOTEL DEVELOPMENT SITE SITE PLAN

DESIGNED BY: J. SOBOL	CHECKED BY: ----
DRAWN BY: AMH	DATE: 20 OCT 98
CONTRACT NO.: CONTRACT	SCALE: 1" = 80'
DRAWING NO.: XXXXX-XX-XX	SHEET NO.: 1 OF 1 SHEETS

NO. | DATE | DESCRIPTION | BY

TABLE OF CHANGES

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CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

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MINUTES OF THE REGULAR MEETING
FEBRUARY 13, 2001

1. **ROLL CALL**

At 4:10 p.m., Commission President Kimberly Brandon called the meeting to order. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2. **APPROVAL OF MINUTES** - January 23, 2001 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the January 23, 2001 regular meeting were adopted.

3. **EXECUTIVE**

A. Executive Director's Report

Mr. Wong welcomed everyone to the Commission's final meeting in the Ferry Building. The Port's administration new offices will be relocated to Pier 1 effective February 20, 2001 and invited everyone to visit the new Port offices. The Port Commission will hold its first meeting at Pier 1 on February 27.

B. Consideration & possible action on the proposed policy requiring individual Port Commissioners to disclose outside communications with interested parties concerning matters pending before the Port Commission. (Resolution No. 01-08)

Mr. Wong indicated that at the January 23, 2001 Port Commission meeting, Commissioner McCarthy requested that the Commission consider a policy concerning communication between individual Port Commissioners and participants in the Port's public offering of property while the competition is in progress. The Port staff calendared the matter for the Commission meeting on February 13, 2001. The proposed resolution would direct staff to prepare a proposed amendment to the Commission's Rules of Order to incorporate a policy that would: (1) require Commissioners to disclose all outside communications regarding matters within the Commission's jurisdiction; and (2) prohibit communication between Commissioners and participants in a public offering of Port property. The Rule would specify the procedure for disclosure (e.g. report to Commission Secretary) and enforcement measures (e.g. disqualification in the competitive offering.)

Commissioner McWilliams indicated that after reviewing the policy, he decided that he would vote against it if it came to a vote. He does not question the motivation behind it and understands that transparency in City government is important.

However, one of his frustrations since joining the Commission, was that the Commission is very limited in scope about how they interact together because of the Brown Act and the Sunshine Ordinance. This policy would further inhibit free discussion or the ability to talk to their constituents in a way that would give them the tools to make decisions for the people of San Francisco. The Commission does not have the opportunity to talk together. The only opportunity they have is in a public forum where anything they say can be taken out of context and reported in the paper. He understands the necessity to make sure that what happens in public government is transparent up front but as a result the Commission does not have the opportunity to talk about their visions for the Port and its future. This policy would further delegate the decision making process to staff because they can freely interact with the public although he is confident about staff's ability. This limitation of the flow of information is a detriment; it is not a service to the people of the City, the Port or to the whole process. From a practical point of view, it will cause problems and if it comes to a vote, he would not support it.

Commissioner Brandon asked Commissioner McWilliams for clarification on which policy he would not be supportive of. Commissioner McWilliams replied that he wanted to make sure that he is not inhibited from getting as much information about the current issues so he can make the best decision possible. He would take a position against the policy if it would inhibit him.

Commissioner Lee indicated that he does not have a problem disclosing his communications with prospective developers. He does have a problem with the policy prohibiting the Commission from talking to a prospective developer. For example, when the prospective developers made a 45-minute presentation about their plans for Pier 27-31 project, it was not enough for him to make a sound decision or to understand their proposals. If this resolution were adopted, he would not be able to get more information to make a decision. He asked that the resolution be revised in order to be fair to everyone. He also asked that the Port's senior staff should also disclose their conversations with prospective developers.

Commissioner McCarthy commented that it was her understanding that this resolution would not preclude the Commission from finding out more information and from speaking to people in the community others. It's her understanding that if someone were connected to a particular proposal or to a lease negotiation or some other type of business with the Port, the Commission would have to disclose their conversations if they were talking to those directly interested parties. It's her further understanding that from the time the Port releases an RFP until the Port votes on it, the Commission would be prohibited from speaking with anyone even if the conversations will be disclosed. She asked legal counsel for an interpretation of the policy.

Legal Counsel Noreen Ambrose replied that this policy is at the discretion of the Commission. The Commission can define the rules of order as they see fit. The question that Commissioner McCarthy raised is important. The policy that the Redevelopment Agency adopted used the term "interested" parties which implore a question that a community organization is not an interested party as it relates to a general matter pending before the Commission. From a definitional point of view, communication regarding matters that are pending before the Commission would have

to be disclosed. If the Commission were put into a situation of trying to decide what the connection is of the person who is contacting them, it would be difficult to discern if the person calling is calling on behalf of a developer or a prospective bidder. Those are the questions that, should the Commission be interested in pursuing the policy, would need to be worked through by appointing a subcommittee and report back to the Commission for its consideration.

Commissioner McCarthy asked if there is an interest of a subcommittee to discuss and review this issue. Commissioner Brandon appointed Commissioner Lee and McCarthy to the subcommittee. Commissioner Hardeman commented that he was not interested in the policy.

Jennifer Clary, San Francisco Tomorrow, was surprised about the outcome of this item because at the last meeting there was a general consensus of the policy. She understood Commissioner McWilliams' comments that it is difficult to have all the discussions in public but it is beneficial for the public. She noted that it is frustrating for the public to see that the Port Commission agenda's executive session is longer than the public session. If the Commissioners meet with the developers, the conversation should be disclosed, as Commissioner Lee suggested. As a gesture of goodwill to the members of the public, the Commission could agree to vote on that issue. A disclosure of the meetings is not going to upset the Commissioner's thirst for knowledge.

Commissioner McWilliams commented that somebody is having a conversation but the Commission does not have the opportunity. He is frustrated by the fact that there's no format for the Commission to have such conversations.

Bill Kedem recommended that the Commission be allowed to have contacts with the parties presenting the proposals. There should be a matter of record of the development of the contacts. The policy before the Commission would not be conducive to a business establishment.

Mr. Tom Flowers indicated that the Commission convenes in executive session and it has affected matters to proposers. Traditionally the Commission reports on what they have decided after an executive session. He indicated that the Commission has been violating the Brown Act for decades and it does not serve the public very well. He commented about the process when he submitted proposals for the proposed hotel on the Embarcadero.

J.R. Manuel indicated that because the residents of the City and County of San Francisco not only passed the Sunshine Ordinance but have also determined that there's a lot of problem the way the city has been running. It is important that the interactions between the Commissioners and potential developers be kept open. He cited the Mission/Stuart hotel project as an example. Because the public was involved, the project value went up from $600 million $950 million. The public wondered why the cost went up. They were however able to participate in the discussions and the result was satisfactory to all. Some people feel there are some unfair things going on when they want to lease a waterfront property. To alleviate that, all Commission process and procedures should be kept open to the public.

Ernestine Weiss indicated that the public does not really know what is going on. The behind-the-door activities in the City have left a bad taste on the public. She encouraged open dialogue with the public.

Commissioner Brandon appointed Commissioners McCarthy and Lee to serve on a subcommittee to discuss the issues and present a draft policy to the Commission.

ACTION: Commissioner McCarthy moved approval. Since there was no second to the motion, Commissioner Brandon seconded the motion in order to discuss the item.

4. MARITIME

A. Informational Presentation on proposed cruise terminal operations and marketing plan for Pier 30/32.

Ms. Anne Cook, Waterfront Developmental Project Manager, indicated that on May 25, 1999, the Port Commission approved Resolution No. 99-36, authorizing Port staff to issue an RFP/Q for the design and development of the Bryant Street Pier Project, including the James R. Herman Cruise Terminal, on Pier 30-32 and Seawall Lot 330 (the "Project"). On January 20, 2000, after an extensive review and evaluation of qualifications and proposals received, the Port Commission approved Resolution No. 00-03, authorizing Port staff to enter into exclusive negotiations with San Francisco Cruise Terminal LLC (the "Developer") for the Project.

As required in the RFP/Q, the Developer's proposal includes the required cruise terminal facilities, as well as a mix of uses to activate the Pier on a year-round basis. Non-cruise Pier uses proposed by the Developer include office, an arts screen cinema, a live music venue, public access and open space, preserving Red's Java House, retail and entertainment, boat docks for excursion and visiting boats, among other uses. Seawall Lot uses being considered by the Developer include hotel and/or residential.

During the past months, the Developer has continued to conduct their due diligence studies, and the Port and the Developer have begun a series of outreach meetings with the community, regulatory and user groups to receive their input into the Project as the proposed design continues to evolve.

Of particular importance to the Port, the Developer's team has also been working to further develop the terminal operations and marketing plan. As part of that effort, this informational presentation has been scheduled to provide the Port Commission and the public with an early opportunity to provide input into these critical issues.

In the next month or so, there will be a presentation regarding the overall design of the entire project including the pier and the lighting improvements. Staff has filed an application for EIR for the project. Expects the draft EIR to be published in June. We are planning for an EIR certification in October of this year, followed by the execution of the development agreement and lease by the end of the year. The project construction would commence in 2002 and be completed in mid-2004.
Peter Dailey, Director of Maritime, indicated that the purpose of this presentation is to

discuss the cruise terminal operations and marketing issues pertaining to the new cruise terminal. San Francisco Cruise Terminal LLC have brought part of their partnership from Singapore as well as their stevedore partners to give an overview of progress to date. It is a complex project; the primary purpose of this project is to get a world-class cruise terminal for the Port of San Francisco. In the recent months, momentum has gained on the cruise and marketing operating issues. Port staff traveled to Southern California with SFCT representatives and met with two of its larger cruise customers to discuss aspects of the terminal. In a few weeks, staff will be traveling to the Seatrade conference in Miami touting the new cruise terminal to the cruise industry.

Maurice Cococcia of Lend Lease indicated that SFCT is made up of Lend Lease, PSA, CMT and Whitney/Cressman. The cruise terminal is the single most important element in this mixed-use development. The remaining elements such as the open space, retail and entertainment are also critical and become a vital addition to the urban fabric of the South Beach area. In the past year, SFCT has expended a large amount of energy to research in international cruise line. With consultation with Port staff, they have developed a marketing plan that would ensure San Francisco is considered a significant cruise transport in the future with consistent visitation and growth. They have also been developing the design of the terminal in collaboration with Port staff, Metropolitan Stevedoring Company and major cruise lines. The result is a terminal that will be state-of-the-art that would meet San Francisco's present and future requirements. The new jobs that would be created by expanding the cruise business in San Francisco would include direct employment such as longshoreman as well as jobs in the hospitality sector. Today's presentation consists of marketing plan outline to be presented by Kathleen Gan of PSA and operations overview to be presented by John Pang of PSA.

Kathleen Gan is the manager of the Singapore Cruise Center, the busiest port in the world. She was responsible in developing the cruise industry in Singapore. J. Pang is a center development consultant for PSA and has a 20-year experience in the maritime industry. He was a professional harbor pilot before joining the Port of Singapore in 1990 as operations manager. James Callahan is the president, CEO and CFO of the Metropolitan Stevedore Company, a company with a long maritime tradition in San Francisco. He hoped that this presentation would give an insight of a potential viable cruise market in San Francisco. They believe that this approach coupled with the vitality of the surrounding uses would ensure that the James R. Herman International Cruise Terminal would hand San Francisco's maritime heritage.

Kathleen Gan from Singapore Cruise Center, presented the marketing strategy for the James R. Herman Cruise Terminal. Their marketing mission is to develop San Francisco as an ideal cruise destination and cruise hub. Their strategic intent is to offer to cruise customers a total experience in a vibrant waterfront development at Bryant Street Pier and a key visitor destination offered by the City of San Francisco. Their marketing plan emphasizes the concept of value creation. They create the value, provide the value and communicate this value. In creating the value, the look at market segmentation, market selection and targets and value positioning. How they position San Francisco in the cruise industry. In providing this value, they need to move into developing the product, pricing and packaging and in communicating this value, they engage in promotional activities. In terms of cruise ship placement worldwide, they

need to create a market presence for San Francisco. San Francisco is at the center of three coast regions: Alaska, Mexican Riviera and Hawaii. San Francisco can build on inter-connectivity between cruise regions and develop additional cruise traffic with San Francisco as the hub in order for the Pacific Rim cruise playground to almost equal what Asia Pacific has achieved in 9 years in terms of world market share of cruise ships. San Francisco can also develop synergies with the Asia pacific cruise industry, drawing on Singapore Cruise Center's leadership and good relationship with cruise operators and the distribution system. In market selection, they emphasize which products protect high yields and offer longer cruises. San Francisco has market advantage for longer cruises offered by contemporary products which emphasize the attractiveness of their ships as floating resorts and they need only a few key destination ports. The basis for selecting the top cruise lines are those already operating in the playground, hence, they are familiar with the designation but they need to be persuaded to use San Francisco as their homeport or to increase their turnarounds at San Francisco. The other cruise lines would be those with new resort style ships under construction, they need to identify itineraries for these new ships. Restructured cruise lines which are reviewing deployment of their combined fleet such as Star Cruise NCL and P&O Princess Cruises. An example is Star Cruises which acquired Norwegian Cruise Lines. Star Cruises would be transferring the Superstar to NCL as Norwegian and reposition her to Hawaii. Star Cruises will also transfer two other new buildings under construction to NCL. NCL itself has a ship under construction. Therefore, NCL is one of their major targets. US flight operators such as American Classic Voyages, US Lines and Voyager Holdings can be their market target if the existing maritime laws are relaxed.

Cruise lines look for the following in a cruise hub? Feasible itineraries, passenger source markets, land base attractions for pre and post tours, good infrastructure for ships and passengers, efficient port services and competitive pricing. They have to identify existing and potential cruise ports which can be collectively packaged to draw interest of cruise lines. Cruise lines need to constantly find new experiences for their repeat passengers. We can help them with the itinerary. An attractive itinerary can be provided by cruises from San Francisco to Vancouver. In value positioning, they highlight the differentiating factors of San Francisco. San Francisco has an excellent connection internationally as a world-class visitor destination. This information presented by S.F. Convention and Visitors Bureau, 44 percent of more than 12 million visitors were travelling for leisure or vacation, 30 percent for meetings and convention, 25 percent for individual traveler. Visitors to the City have a median age of 37 years, a household income of $65,000 of the average and sleep 3-4 nights on a hotel while 64 percent come from the U.S. and the rest were international. There is high potential for passenger source market in San Francisco drawn from the international visitor who can take a cruise after their vacation on land and the locals from the greater San Francisco metropolitan areas who are income qualified with median household income of $56,000, median age of 45. They are young, dynamic, and wealthy and enjoy the lifestyle products such as foreign travel.

Regarding infrastructure, cruise passengers will be offered a total waterfront experience at the Bryant Street Pier with entertainment and commercial facility. They have been told by Royal Caribbean Cruise Lines that crew members often can't leave the ship for long and they often require close proximity shopping and commercial

facilities. They can offer waterfront facilities that provide them services. Cruise customers can also site their offices right next to the cruise terminal. Another differentiating factor is the grand name of Singapore Cruise Center as the operator of the James R. Herman Cruise Terminal. Singapore Cruise Center has been voted by cruise lines as the best around port for four years under the UP Green World Cruise Destinations Award. The Singapore Cruise Center has been recognized for its leadership and the common user terminal operator providing quality service and innovative terminal systems. The cruise center also has excellent relationship with international cruise lines and they can help cruise packages and the cruise terminal's Asian cruise lines such as Star Cruise and local and Asian passengers.

What needs to be done from year 2001? They would need to collaborate with Cruise Star West, Northwest Cruise Ship Association and the Mexican Pacific Cruise and Alliance to collectively develop this cruise product. Last year, SFCT commissioned two of the best cruise industry consultants, Peter Wild and Larry Gesner, to conduct a market research/study for the cruise terminal in San Francisco. Based on their study, San Francisco's cruise ship calls are projected under three scenarios: (1) conservative; (2) realistic; (3) optimistic. They have included another scenario that was provided by the Port of San Francisco including estimates of four constant calls from Voyager. The realistic projection forecast and increase of ship calls from 40 currently to 69 on the year they open and up to 107 calls in year 2020. Their marketing efforts will focus on providing value to grow the cruise business in San Francisco by realizing these forecasts. The forecast is placed on the assumption that current maritime laws continue to apply although any change in that direction can stimulate further growth. With new cruise facilities and aggressive marketing, their target is to attract up to five home base ships by the year they open, currently there are only two, eight home base ships in ten year's time and ten home base ships by year 2020. The ratio of homeport to transit calls will change from 52 percent homeport calls to 66 percent as they market aggressively to cruise lines to use San Francisco as a hub.

In terms of cruise passengers, the forecast growth is 2 ½ times from the current 70,000 to 160,000 when they open and in the year 2020 to 290,000 passengers. Passenger split between homeport and transit would change from a 50-50 ratio to 82-18. In Singapore, they are achieving 80-20 percent for 10 home base ships currently. Competitive pricing is not just about comparison of tariffs but rather the total port cost per call for similar ships at various ports. In a questionnaire to cruise lines, behind cost of operating in San Francisco's Pier 35 was the major weakness cited by them. The new cruise facility and value for money total services will address this weakness. Packaging of the product is necessary to attract cruise lines and to grow the business to customer service agreement and customer rewards. They will need to work on this with the Port.

In communicating the value, they build awareness of San Francisco to the cruise lines at trade conferences and also direct sales. They attended the AAPA conference in Los Angeles and met with some cruise lines and they have received positive responses. Next month, they will be attending the Seatrade conference with Port staff and they will be engaging in discussions and aggressive marketing with the cruise lines. They need to promote the cruise product in San Francisco. The way to sell cruises are through training programs with travel agents. One of the weaknesses has been in the

distribution system. If the travel agents do not understand the product, they would not be able to sell it to passengers. They reach out to passengers through direct sites and cruise passenger events.

They propose to launch the cruise terminal in 2004 with a San Francisco cruise conference and exhibition. By then, they would have achieved a market presence. They have to measure success by using competitive comparisons of passenger throughput of various hot ports in the world. Customer feedback, surveys and analysis would be useful to measure the level of service and measure how well they have met passenger expectations. In Singapore, the Port of Singapore commissioned an Economic Impact Study in 1995, five years after the completion of the cruise terminal. In 1999, the newly formed maritime port authority commissioned a second study. They would recommend that the San Francisco Port Authority commission the study to be done every five years. The results of the two studies in Singapore show that cruise activities have contributed a value at $200.9 million in 1995 and $300.8 million in 1999. There are substantial economic benefits arising from increased cruise business for the community.

John Pang from PSA presented the proposed design features of the cruise terminal. They have also made provisions on those occasions where they may have two 1,000 feet cruise ship calling on the same day. Special arrangements can be made to dock ships on the north berth and to use the ship's anchor. They have discussed these issues with the bar pilots and the master of the cruise ships. They will conduct ship simulation with the cruise line masters and bar pilots to ensure that it would be safe for special docking on the north berth. The current terminal design have 100,000 s.f. for passengers and operations. The lower level consists of 35,000 s.f. as a holding capacity for 1,000 passengers and as many as 2,000 passengers at any one time. The terminal would have a throughput capacity of over 4,500 passengers and 7,500 passengers for two ships alongside concurrently. The baggage claim capacity can be maximized to a throughput of 15,000 baggage with improved coordination and the use of portable three tiers baggage system. This will accommodate in excess of three bags per passenger. They have preliminary discussions with several cruise lines including Princess, NCL and Crystal on the three-tier baggage system. Their response are very positive. Most of the lines are already looking at introducing some type of baggage case system to improve the addition. Another important factor to note is that they were able to implement a system regardless of whether a cruise ship is currently using a system on board the ship. Metropolitan Stevedore Company is in concurrence with them regarding these matters and have been involved in their discussions with the cruise lines. The use of manual labor for movement of the cases in the arrival hall would be utilized to avoid injuries to passengers and to keep the floor clean especially on wet days. The entire transfer from the ship's elevator lobbies to the terminal arrival hall can be done without unstopping the cases. This will minimize damage, injuries and perceived mishandling of bags in the presence of passengers.

There will be 50 feet aprons running the entire length of the two berths. There will be two lanes of 15 feet wide. Service workers can enter the restricted walk apron by security controlled gates. Direct ships to airport transfer for baggage will be promoted for group passengers on selected ships to facilitate seamless intermodal connection without compromising customs and immigrations security standards. Passenger

disembarkation from ships would be fully automated. The lane bridges would be ADA compliant and would have sufficient capacity to handle the passengers throughput. The lane bridges would be fully enclosed and will be ventilated. Air conditioning would also be considered. After disembarking from the lane bridge, passengers would travel along a secured corridor on the second level. Passport check by immigrations may be conducted in the terminal for selected ships. Immigration clearance station would be provided in the second level before passengers proceed to baggage claim on the first level. After clearing immigration, the passengers would collect their bags. Passengers will exit the security zone into the transport assembly area after clearing customs. They will be actively promoting ship site to airport transfer with their respective authorities for groups of passengers on selected ships providing seamless intermodal connection without compromising security. For embarkation, there will be baggage check in.

The passengers pick up and drop-off zone are located underneath the terminal building. The drop off and pick up point is immediately next to the arrival hall. When there is only one ship at the east berth, the walk apron in the north berth could also be used as a secondary staging area. They will be encouraging bus transfers to hotels and train stations. They are also in negotiations with the Imperial Parking Company for remote parking facilities and staging of coaches for peak period operation so as not to congest the pier.

James Callahan, President of the Metropolitan Stevedore Company, indicated that Metropolitan Stevedore has a very proud tradition in the City. Their regional founding company was California Stevedore and Dallas Company which was founded in 1852 during the Gold Rush and have continued in operation since that day. They are very pleased to have a breadth of experience in the cruise industry. They have operated the cruise terminal in the Port of San Francisco for many decades and they have also operated cruise terminals in Los Angeles and in San Diego. They bring to this project a local expertise and they look forward to working with SFCT and the Port. They applaud SFCT for their enthusiasm and vision. They are impressed with them and are excited about working with them in the future and look forward to working with the union on this project. They will keep in perspective the ILWU which will be performing many of the vital services of operating the terminal to ensure that passengers have a pleasurable experience when they come to California, particularly in San Francisco. They endorse the three tiered baggage system. They have seen it in operation in Singapore and it works.

Maurice Cococcia reiterated that the EIR for the project has commenced. In conjunction with this review, SFCT and the Port are conducting investigations into environmentally sensitive issues such as ballast water, water quality and air emissions. They are also collaborating with other west coasts in carrying out these investigations. The effects in the mitigation will be dealt with in the environmental review. They also plan to have discussions with environmental organizations as part of their outreach program. On maritime issues in general, they are currently in discussions with local dinner cruise operators with a view to include this use in the project. They are also in the process of determining the optimum size and location for the public divert and facilities in the project.

Peter Dailey, Maritime Director, thanked the SFCT team for updating the Commission on the operations and marketing aspects of the terminal project. Port staff has been working in recent months more intensely with the SFCT team, keeping the focus on cruise terminal aspects of the project. Port staff is lucky to have on staff some people with years of experience both the operation and the marketing side of the cruise equation and the has employed one of the prominent engineer terminal design firm as another counsel to Port staff.

Commissioner McWilliams asked whether or not there are any strategic marketing activities designed around changes in the Passengers Services Act. Ms. Gan replied that in the marketing strategy, the figures do not include any changes. They have taken a conservative approach.

Veronica Sanchez, Governmental Affairs Manager, clarified that in the marketing strategy, there was a reference to changes to existing maritime laws to allow U.S. flag companies to enter this market. Although this port is on record in pursuing legislation that's currently pending in Congress that would allow the reflagging of foreign built ships to enter the market and bear U.S. flag, that strategy is very different than any changes to the Passenger Services Act. That is an approach that is agreed upon with major maritime unions including the ILWU to allow only U.S. flagships to sail on domestic cruises. We are not amending the Passenger Services Act but trying to stimulate the entry of U.S. flag cruise vessels in this trade.

Commissioner McWilliams indicated that SFCT's marketing strategy might have included advocating for changes in the law related to the Passengers Services Act. He asked if their marketing plan includes advocating the changes for the legislation. Ms. Sanchez replied that SFCT and the Port of San Francisco are working very closely in the legislative strategy i.e. right to move forward to get U.S. flag cruise ships into this market and not change the PSA. There is a bill pending in Congress which was introduced by Senator McCain.

Commissioner McWilliams asked Ms. Gan if capital expenditures are being made on behalf of SFCT in order to call for legislative changes or alterations in the existing rules of the PSA. She answered no. Mr. Dailey replied that the projections that Ms. Gan showed did not take into account changes in the PSA; they are based on today's commercial considerations.

Jennifer Clary, SFT, thanked SFCT for starting their environmental review and hope to receive the scoping document soon. As a member of an environmental organization, she would love to talk to SFCT about ballast water, dredging and how they will handle their runoff.

Capt. Raymond Aker showed a drawing of the Maritime Museum Plan. This museum would accommodate all of the historical maritime resources of San Francisco. This museum could be combined with the cruise terminal; it would accommodate everything that is planned for the terminal. It allows for ships on the north and east sides. He has also come up with a concept for berthing the USS Iowa and USS Hornet in the space between Pier 32 and 38. It is an excellent site as it is accessible and visible. It would give another visitor's attraction on the waterfront. With this museum

and those vessels, this would be a San Francisco destination. In the museum plan, he also has provisions for a conference center, restaurants, cafeteria, bar and other public amenities.

Commissioner Brandon suggested that Mr. Aker discuss his ideas with the San Francisco Cruise Terminal operators.

Rick Mariano, Delancey Street Foundation, was enthusiastic about the cruise ship presentation. They are proud at Delancey Street to have been associated with SFCT. It should be pointed out that the SFCT team started in the community. They started talking to the neighbors from the very first day. They worked through the neighborhood to do their design and garnered virtually 100% support from the neighbors, community groups, shop owners and residents. SFCT continues to make presentation and continues to work with neighbors as they move forward with this project.

Bob Kastl, Navy League, spoke about the S.S. Lurline that was supposed to be berthed at Pier 30/32 and referred to Ken Garcia's article about the Port of San Francisco.

Catherine Hooper, Inchcape Shipping Services, indicated her job is to look after passenger cruise ships and the U.S. Navy. She is thrilled to hear about the progress to date. San Francisco is a maritime community; we are a water-based community, friendly to the Navy and have always welcomed cruise ships. There's a tremendous tourist appeal to the City. That tourist appeal is just not from foreigners but from domestic traffic as well. The two ships home based most recently have drawn a vast majority of the constituents from the California and the western state. Two challenges to the Port are the existing maritime laws and geography. By virtue of the tourist appeal in San Francisco is to provide them with a terminal that gives them what they want. Cruise ships make their decision of where they are going to place their ships purely on a marketing decision. If we can show that we can make money for the cruise lines, they will bring their business to San Francisco.

J.R. Manuel, JRM Associates, commented about the provision of 1,000 ft. vessel inside the inlet, he asked if it could be developed or make a provision for a second vessel.

B. Informational Presentation on status of proposed leases and uses in the Southern Waterfront.

Peter Dailey, Maritime Director, indicated that this presentation is provided to explain the proposed uses, the status of the Southern Waterfront Supplemental Environmental Impact Report (SEIR), and further planning efforts for the Pier 90-94 Backlands. Staff has been working with the Port's Southern Waterfront, Pier 70, and Maritime Commerce Advisory Committees, interested community members, project sponsors, and public agencies to keep the public informed and to solicit input prior to seeking Commission action on proposed Southern Waterfront uses.

Ms. Diane Oshima, Planning & Development, indicated that there are a number of maritime and industrial leases and projects proposed in the Southern Waterfront area

between Pier 70 and India Basin. In 1999, the Port received six proposals for proposed maritime and industrial uses:

- Bode Gravel Company/Mission Valley Rock - proposed concrete ready-mix plant at Pier 92
- RMC Lonestar – proposed concrete ready-mix plant at Pier 80
- British Pacific Aggregates/Hanson Aggregates – aggregate bulk imports and concrete ready-mix plant
- ISG Resources – proposed import, storage and transloading of fly ash in the Pier 90 former grain silos
- Coach USA – proposed tour bus maintenance and repair facility at Pier 96
- Waste Management Inc. – proposed construction debris recycling facility at Pier 70

On April 18, 2000, the Port Commission approved a Memorandum of Understanding (MOU) with the six project sponsors to provide assurance that the Port would not enter into negotiations with other entities for the same sites. At that time, the San Francisco Planning Department's Major Environmental Assessment division determined that a supplemental EIR to the Waterfront Land Use Plan Final EIR would be necessary to evaluate the environmental impacts of the projects. This Southern Waterfront Supplemental EIR (SEIR) has been jointly funded by the sponsors of the above projects and the Port, because the SEIR also includes an analysis of Port-sponsored projects:

- Illinois Rail and Truck Bridge – proposed as a connection between the Port's North and South Marine Terminals across Islais Creek
- Dredged Materials Storage Operations – storage and transshipment of Bay mud removed during Port maintenance dredging of its terminal berths
- Increased cargo shipping activity at the North and South Marine Terminals

In addition to the above uses, the scope of the SEIR analysis includes assumptions about other potential activities. These additional use assumptions were included for a conservative SEIR analysis, to ensure that it took into full account cumulative impacts of other potential uses on and off Port property, even if many are not proposed now for development. The use assumptions for the Pier 70 Development Opportunity Site, other industrial uses in the remaining Pier 70 area, and the Pier 90-94 Backlands fall into this category. In addition, two of the above-identified project sponsors, British Pacific and Mission Valley, each requested that an asphalt plant be included in the SEIR analysis. The exclusive negotiation agreements each sponsor signed with the Port do not include provisions for asphalt batch operations.

The Draft SEIR was published on September 23 2000, and public comments were received until November 15, 2000. The written responses to the comments were released on January 26, 2001. The Planning Commission is due to consider certification of the Final SEIR on February 15, 2001. Once certified, the environmental impact, mitigation and alternatives information in the Final SEIR would be reviewed and considered by any decision-makers (such as the Port Commission) prior to approving projects.

The SEIR identifies a number of transportation, air quality, hydrology, hazards, biology, geology, historic resource and archaeological resource mitigation measures, to minimize or avoid significant environmental impacts. Those measures include several actions to reduce dust, and Port-sponsored economic incentives to promote equipment retrofits and/or use of low- or no-sulfur fuel to reduce diesel emissions.

The EIR ended up with quite an extensive list of mitigation measures to address the impacts either as identified originally in the Waterfront Plan EIR and more specifically with these range of uses considered in the southern waterfront. Most of them were originally identified in the draft EIR. In responding to the public comments that came forward, there were additional mitigation measures that were called out as well. We are now at a transition point. Once the EIR is certified, the mitigation measures and the comments received from the community will be used as a basis for negotiations of leases which will be done initially with the industry group members. It will have a shelf life that allows the Port to consider other uses that are not specified at this time.

She pointed out that there was a comment expressing a concern that there would be more concrete or asphalt batching operations that could be approved than was assumed in the EIR. There was a concern that unless there was some limits in place, there wouldn't be a way in keeping the actual activity and leases that the Commission might approve consistent with the analysis that was published in the EIR. To respond to that concern, there is a new mitigation measure that was brought forth to have this Commission, if it is going to approve any leases for aggregate related batching operations, that there be a limit on the accumulative amount that would be consistent with what was analyzed in the EIR. That would ensure that the impacts associated with new activities in the area would not exceed what was analyzed and mitigated for in the EIR. Staff has also taken into account of what could happen in the Pier 90/94 backlands area.

Ms. Oshima noted that the Port's Maritime Division currently is working with a consultant team to complete a Maritime Industrial Study. The purpose of this Study is to identify market and business opportunities for cargo and industrial maritime businesses, and their associated facility needs that can be met on Port property, potentially including land within the Pier 90-94 backlands. The degree to which this backlands area continues to be needed to meet those maritime needs will factor significantly in the planning for other uses.

Drafts of the market and business trends portion of the analysis have been presented for discussion by the Maritime Commerce and Southern Waterfront Advisory Committees. Completion of the Maritime Industrial Study is expected at the end of March 2001, and will be reviewed by the Commission.

Defining any other, non-maritime uses for the Pier 90-94 Backlands will be derived through a community planning effort involving the Port's Advisory Committees and other interested citizens and community organizations. Public workshops will be held to identify desired uses. Port staff expects to be hiring consultants to assist in site analysis, and feasibility analysis of the different use and development options identified in the planning process.

Wendy Brummer-Kocks, resident of the India Basin area, indicated that the India Basin Neighborhood Association is supportive of the activities in the southern waterfront except for the two asphalt plants. They have been gracious in accepting the 5 or 6 aggregate companies' proposals but are not supportive of the asphalt plants. She asked the Commission to pass a resolution to stop the asphalt plant proposals.

Jennifer Clary, Alliance for a Clean Waterfront, thanked Port staff for meeting with them and their willingness to listen to their ideas. This is a wonderful community. They are taking some heavy industry and they are very accepting. These industries are going to bring in very high dirty impacts to an already impacted community. She asked that a resolution be brought to the Commission stating that asphalt is not an appropriate use at the southern waterfront. They were not happy with the EIR; it did not fully assess the impacts or mitigate those impacts. They are happy with staff in being willing to go a step farther than the EIR and agreeing with them to hire a consultant to work on a storm water plan. Islais Creek is an impaired waterway. The dust mitigation plan which staff is working on would be helpful in clearing the air and particulate emissions are very big problem. She reiterated the Executive Director of SAEJ, Claude Wilson's comments about their concern for the diesel emissions related to these projects and are interested in having a plan incorporated in the leases that would reduce the diesel emissions over time. Golden Gate University Legal Clinic is interested in helping with this matter.

Karen Goodson Pierce, BVHP Resident, indicated that they are concern about the possibility of having the asphalt crushing or asphalt production in the neighborhood. They already host the City's asphalt production. Besides the smell and aesthetics, there are very serious risks involved with asphalt. She urged the Commission to make a determination on whether or not this is appropriate anywhere on Port property. She suggested that if the Commission need further information, they could get information from the Department of Public Health regarding health detriment that asphalt production provides. They have been working very well with staff. Staff has been open to the residents suggestions and concerns. She applaud staff for taking a step toward reducing the use of diesel on these properties. The Port should pat themselves on the back for getting one of the City departments in taking an affirmative approach in reducing diesel emissions. They are taking a serious impact. The residents have recognized that there is a need throughout the City to have the batching activities stay within the City limits. They are overburden with toxic producers in the Bayview. They expect to come back as they go through lease by lease and have some serious conversations. The Commission can make a difference by leaving the asphalt out of the discussion right from the beginning.

Jesse Mason, Bayview Hunters Point Community Advocate, indicated that the community has been impacted with toxic contamination for years. He is a resident of the Bayview for 50 years. Two more asphalt plants would be extremely damaging to the community.

Jane Morrison, San Francisco Tomorrow, joined the residents of the Bayview in opposing the asphalt plants. It is important the asphalt plants not be included in the plan.

Commissioner Brandon asked about the exclusive negotiation agreements with the six companies. Ms. Oshima replied that the Commission approved staff signing MOU with the six industry groups, not exclusive negotiation agreements. She added that at the behest of the SWAC, they asked that the Port do not engage in detailed negotiations with the industry group members while the EIR is still underway.

Commissioner Brandon pointed out that in December she was surprised to find out that the EIR was completed in September. Being a resident of Bayview and as a Port Commissioner, she did not receive any notification of the EIR being completed, she asked if they missed out on any other opportunities for citizens to comment on the process.

Ms. Oshima apologized for the oversight. She noted that staff has met with SWAC to explain the EIR. Hillary Gitelman has attended a couple of meetings with SWAC.

Commissioner Brandon pointed out that the Commission does not get copies of the minutes of the SWAC meetings or invitations to those meetings. Since SWAC has been formed over two years, it was intended that they would decide on what would happen to the opportunity area. There is an opportunity area at Pier 94 that staff should be focused on before bringing in the asphalt companies into the community. She understands the maritime study but we are taking space from the community and giving it to the concrete plants. Commissioner Brandon noted that she has been requesting for a study of the opportunity area that would benefit the community. Staff needs to focus on that effort.

Ms. Oshima replied that staff would take that into account. The work program for the backlands area was focusing on the area upland from the water because the industrial uses had a maritime business component. The reason staff was considering having a concrete batching operation is because of the synergy with the drybulk operations at Pier 94/96. That has been the logic behind looking at having businesses that have similar and overlapping interest located close to each other and still have a united area of land to do some legitimate planning work.

5. PLANNING & DEVELOPMENT

A. Informational Presentation on the Ferry Building Project.

Alec Bash, Waterfront Planner, expressed Paul Osmundson's best wishes as we move forward with the Ferry Building Project. He indicated that the Port Commission on November 17, 1998 (Resolution No. 98-114) awarded William Wilson and Associates an Exclusive Right to Negotiate agreement for the rehabilitation of the Ferry Building. The Commission on August 24, 1999 (Resolution No. 99-67) approved the form and substance of the Lease Deposition and Development Agreement and Ground Lease with Wilson Cornerstone, the successor in interest to William Wilson and Associates, for the rehabilitation of the Ferry Building, and later modified the Lease on September 21, 1999 (Resolution No. 99-77).

Rehabilitation of the Ferry Building is now approaching. Ferry Building Investors, LLC, the successor in interest to Wilson Cornerstone, has agreed upon March 22, 2001 for the Close of Escrow and plans to commence rehabilitation of the Ferry Building immediately thereafter.

Chris Meany, Ferry Building Investors, updated the Commission on their progress with the renovation of the Ferry Building. This is a partnership between the Port of San Francisco and their development group which consists of Wilson Equity Office, Primus and Wilson-Meany. He introduced members of his team: Tom Sullivan, Terry Regan and Jeff Holstein. The Port and the developers are beginning construction. They are less than two years in unveiling the building. It will be a completely restored landmark that will have a major public component that would bring the public and the waterfront participate in one of the great food market and a great place for ferries to come in and out of. What they would be realizing is the vision that was put in place by the Port Commission over a period of 3 ½ years executed by Doug Wong, Paul Osmundson, Alec Bash and Neil Sekhri. He noted that when the process began four years ago, the Commission set the earliest start date of this project in January 2001. They will be starting construction only two months after the earliest start date. This is entirely as a result of a great working relationship with the Port.

From standpoint of entitlements, they already have their discretionary entitlements in place. He noted that with great guidance with Alec Bash, they have received an approved permit from BCDC. Their entire program including the opening of the grand nave has been approved by the State Office of Historic Preservation. In terms of lease buyouts which were necessary for the renovation of the building, he noted that there were a number of tenants that were the responsibility of the Port to clear out, the Port has fulfilled its obligations and successfully relocated all of the tenants. He acknowledged that Mark Lozovoy, Jeff Bauer, Claudia Davison and Nic Dempsey of the Real Estate Division have done a yeoman's work. They were assisted by the legal work of Lisa Clay and Laurel Turner.

With respect to the design and permitting, they have completed the construction documents of the project. They have received their site permits and demolition permits. They are waiting for the final construction permits at this time. They have been working with Alex Lee, Ed Bubnis, Mary Ilyin and Carol Bach. He also pointed that the exterior of the building is best shown from the model. They will be fully restoring the City side of the building and a completely new façade for the waterside of the building. As important as what's happening on the outside of the building is what they are doing on the inside of the building where they will be recreating in its entirety the grand nave of the building.

He acknowledged that the design of the Ferry Building is something that the Commission would be proud of. He noted that the design of the building is the entire product of a San Francisco design team led by Kathy Simon of SMWM, J. Turnbull at Page & Turnbull and the team of PCB. Construction has started. They are abating the asbestos now. As the Port moves out, they will fully mobilize on site. They expect the process to take about 18 months. He acknowledged the efforts of George Onyemem and the Port maintenance staff. They look forward to the meeting at the building in the summer of 2002. While they think all is well at this point in time, he noted that there

are still some challenges. With respect to public use of the building, the retail and public market functions, they will ensure that there is some place for San Franciscans to park and get access. They have a wonderful opportunity yet to be realized in the plaza behind the Ferry Building. The Ferry Plaza farmers market will be used in the weekends but it is a great place for them to improve.

Ernestine Weiss indicated that she's glad we've reached this point and are well on our way. The Ferry Building will bring a lot of people to the waterfront and it is the focal point of this area and the City. It is the golden gateway to the City.

Tom Flowers indicated that he's been riding the ferries since 1937. He does not have any financial interest in the Ferry Building but he is concerned about the hotel project and the failures of the Port Commission to adequately select people. As the first chairman of the tenants association of the Golden Gateway, he has been fighting for development activities on the waterfront. The proposed garage is disastrous. He suggested that if the developers of the Ferry Building cannot go ahead with the program as they promised when they first submitted their proposal to the Commission, the discussions should be reopened.

Commissioner McCarthy recognized the heroic efforts of staff during the move to Pier 1. She expressed sympathy to staff for what they are going through but looked forward to being in the new location.

Commissioner Brandon thanked the presenters and looked forward to the groundbreaking and the completion of the project.

B. Informational Presentation on the Ferry Building Waterfront Underground Garage Project, southern portion of Assessor's Block 202, bounded by The Embarcadero, the Clay Street extension, and Drumm and Washington Streets.

Mr. Alec Bash, Waterfront Planner, indicated that Port staff have been in discussions with S.F. Parking Authority staff regarding construction of an underground garage in the southern portion of Assessor's Block 202, bounded by The Embarcadero, the Clay Street extension, and Drumm and Washington Streets. The property is under the jurisdiction of the S.F. Department of Public Works. The concept under discussion is for a three-level underground garage, accommodating approximately 445 parking spaces. The S.F. Board of Supervisors in 1996 (Resolution No. 828-96) gave preliminary endorsement to a two-level underground garage for up to 350 parking spaces, provided that construction not begin until the Port had entered into a contract to rehabilitate the Ferry Building. Many additional parking spaces have been removed from the Ferry building Waterfront Area since that time.

Open space would be developed and maintained above the garage and function as an expanded portion of the adjoining open space under the jurisdiction of the Recreation and Parks Department—just as it does now. The garage would provide partial replacement for about 1,200 parking spaces that have recently been removed—or will soon be removed—along The Embarcadero or on piers and marginal wharves over the water in the Ferry Building Waterfront Area. Replacement of this portion (about 37%) of the parking that has been removed is considered critical to the viability of much of

the marketplace and other visitor-oriented activity planned for the Ferry Building Waterfront Area.

Pursuant to previous Port Commission actions in the 1990s, rehabilitation of the Ferry Building is imminent. Ferry Building Investors, LLC, the developer, plans to commence restoration of the Ferry Building, one of the highest priorities of the Port's Waterfront Land Use Plan, at the end of next month. The Ferry Building on its ground level will offer a marketplace with a wide variety of food stalls, four restaurants, and transit facilities for the Downtown Ferry Terminal, now nearing completion. Offices and the Port Commission hearing room, and restoration of the Grand Nave as a predominantly public space, will be on the second and third levels.

Other Ferry Building Waterfront Area development includes Pier 1, converted under historic preservation guidelines from a 220-stall parking garage to offices for the Port and its partner in this development, AMB Property Corporation. At Pier 3, Hornblower Cruises and Events is converting the open pier from exclusively parking to include cruise and event space as well, reducing available parking from about 250 to 150 spaces. Finally, the Commission has also recently awarded San Francisco Waterfront Partners, LLC the opportunity to enter into an Exclusive Right to Negotiate agreement for the planned rehabilitation of Piers 1 ½-3-5, which would include four dining establishments.

A major new network of open spaces and public access to the Bay accompanies this redevelopment. All the projects described offer full perimeter public access along the Bay. A Bayside History Walk, newly-planned in conjunction with the S.F. Bay Conservation and Development Commission and Save San Francisco Bay Association, is in its initial conception within Pier 1. The History Walk will extend northerly to Piers 1½-3-5 and beyond as future development occurs.

This waterfront rejuvenation has been preceded by completion of the Embarcadero Roadway, the landscaped boulevard which includes Harry Bridges Plaza, the promenade (Herb Caen Way) and adjoining Rincon Park. This has replaced the Embarcadero Freeway and the acres of exposed waterfront parking underneath and alongside. The development projects described above have removed substantial parking, as will others that will be underway within the next few years (i.e., rehabilitation of the Agriculture Building, and further expansion of the Downtown Ferry Terminal to provide capacity for future water transit demand). The parking that has been removed has all been either over the water or in conflict with plans for enhancement of The Embarcadero as a waterfront asset. Removal of this parking has been consistent with goals, objectives and policies of the Port's Waterfront Land Use Plan, the City's General Plan, and the S.F. Bay Conservation and Development Commission's S.F. Waterfront Special Area Plan, which call for relocating parking from over the water to inland locations.

The Parking Authority presently operates the 1,100-stall Golden Gateway Garage at One Maritime Plaza, a block west of the subject site. With valet service, that garage presently parks about 1,400-1,500 vehicles. Parking Authority staff see operational benefits in managing this garage in conjunction with a smaller, 445-stall facility at Block 202.

The Parking Authority has commissioned a feasibility study to assess parking demand, parking rates and estimated revenue, operating costs, cost estimates and debt service, to determine if the garage is financially feasible. Ferry Building Investors has commissioned a companion study for a hazardous materials soils study. These studies should be completed by mid-March.

A similar underground garage was analyzed as part of the Environmental Impact Study/Report (EIS/EIR) for Alternatives to Replacement of the Embarcadero Freeway and the Terminal Separator Structure (92.202E & 94.060E, August 1996. That EIR also analyzed the impacts of a 680-stall garage on the site in conjunction with a mixed use development on Blocks 202 and the adjoining Block 203 (immediately adjacent to the Golden Gateway Garage). The Draft EIR for the Butterfly Discovery Park proposal is scheduled for publication this month, and will include analysis of a 450-stall, 3-level subsurface garage on the southern portion of Block 202.

If the garage appears feasible, Parking Authority staff would refer the matter to their Commission in April. If considered favorably, preparation of construction drawings and refined cost estimates would follow. Issuance of revenue bonds would require Board of Supervisors' and other approvals.

Norman Rolfe, San Francisco Tomorrow, indicated that Blocks 202 and 203 would be parks, not the roof of a garage, not over the wall in front of the butterfly museum. The garage would be an intrusion to the open space. The garage would be a violation of the City's transit first policy. Economics indicated that this garage would be a money loser that would be subsidized by revenues from other garages and be taken away reducing the revenue stream to Muni. The construction cost would have to be financed out of revenues from existing garages. The Port might engage in creative accounting to show if this garage is a profit maker. He asked the Commission to find some uses of application that do not require a lot of parking. For whatever parking may be required, arrangements should be made with the surrounding garages. The end result is that this garage is unacceptable. It is the corruption of the open space, a violation of the mid-Embarcadero plan, and a violation of the transit-first policy. He urged the Commission to reject the proposal for the garage.

Carolyn Blair, Executive Director of the San Francisco Tree Council, concurred with Norm Rolfe's comments. We need to preserve our open spaces and the mature trees for a healthy environment. All great cities in the world have developed excellent transportation. We are on the verge of developing that with the completion of the F-line. We don't need another garage which will only attract more cars, more pollution, more congestion and will ruin the quality of their life, not just for the tourist but the residents and workers in the neighborhood. It would destroy Lot 202 and it would take 30 years to replace a tree that would be of equivalent benefit that existing trees give now. She urged the Commission to reject the garage proposal.

Eula Walters, representing 2300 citizens for open space, indicated that they don't want any building on the park. The idea of putting a garage underneath the parking and saying that we'll have space open above it is untrue. The garage would cause disturbance in the neighborhood. The exhaust fumes will cause more pollution in the area. It is unacceptable and unnecessary. The Port can build an above or underground

garage at the corner of Washington and Clay Streets. The Port should be thinking about a garage before thinking of putting a highrise or an apartment building.

Jane Morrison, San Francisco Tomorrow, is devoted to the park. It is very rare to have places for a park in the City or an open space in the City. This is the only open space, trees and garage park in the financial district. Building a garage on the park would severely mess up the park. It's unnecessary to destroy the park. The streets are already overcrowded. She suggested to pick a developer that do not need a lot of parking. She asked if the developer could come up with something that wouldn't require so many people to drive to the site. She suggested to do something else on the first floor. She urged the developer and the Port to increase Muni service in the area. This is a transit-first City. She also urged the Commission to keep the Castagnola's Restaurant union.

Ernestine Weiss indicated that the City garage proposal has been done before. The City should not build a garage underneath the park. Financially, it is not feasible. Short-term parking rates would not make up the $30 million cost of the garage. Tom Flowers also opposed the proposed garage.

Corinne Woods believed that this is a bad idea. There were discussions to eliminate commuter parking and make it a short-term parking garage. It happened with Pac Bell Park. The parking lots were supposed to be for the ballpark events only. Within less than three months, the parking lot operators couldn't survive unless they use it for commuter parking. They said they would use a rate structure that discouraged commuter parking; they charged $5 a day for commuter parking. She worked in the Pyramid and Embarcadero Center and one of the perks of her job was free parking. It was free and convenient. There are undoubtedly going to be potential tenants from the Ferry Building whose idea of prerequisites of their rank require parking. It is a big mistake especially in this park to build a parking garage. The Port will end up with another commuter lot which may or may not pay for itself over a period of 10-20 years but it would significantly disrupt traffic and the public.

Commissioner Brandon commented that this is a truly amazing time to be on the Commission and the Port covering such a span of the City from Aquatic Park to the southern waterfront. It is amazing to have people talking about a garage, asphalt plants and concrete batching. It is amazing the variety of things that the Commission have to deal with. The Port is doing what's best for the City and the community.

Dave Burnett indicated that this garage does not make sense. You cannot walk let alone drive along the Embarcadero. This is just one solid traffic jam. There is a massive backup of cars. She seconded Corinne Woods comments about the lure of free parking. The garage is in the wrong place.

David Miles, Rollerskate guru, talked about the ferry park. As a citizen and a family man, he has a group of people who come to the ferry park every Tuesday and Thursday evening to play volleyball. The park is the only green spot on the Embarcadero. The park is the only resource for San Francisco residents and employees to visit and relax. The park is an asset to the City and should be treasured. He urged the Commission to not develop the park but rather consider it as a resource.

Bill Kedem indicated that their neighborhood is confronted with the development of Piers 27-31. They can't see how these projects are being tied together. Everyone will be affected by the parking issue. He asked that a Muni representative attend meetings regarding issues of tying the traffic on Embarcadero and the traffic challenges. With the new development such as Piers 27-31, there are going to be extreme challenges with regards to the traffic. He hoped to see from the maritime folks some drawings or traffic management plan that ties their particular project into the Embarcadero.

Commissioner Brandon indicated that in defense of Pier 30/32 the presentation was solely for the cruise terminal and not the entire project. In the future, they will have diagrams of the Embarcadero and access roads.

C. Informational Presentation of hotel development project at Broadway and The Embarcadero.

Mr. Kirk Bennett, Waterfront Development Project Manager, indicated that on November 18, 1998 the Port Commission, pursuant to Resolution No. 98-107, issued a Request for Qualifications and Proposals ("RFQ/P") for development of a full-service first-class hotel on parcels located at Broadway and The Embarcadero. Three respondents submitted qualifications in response to the RFQ/P: Stanford Hospitality, Inc.("Stanford"), Promus Hotel Corporation/Koll Development ("Promus"), and Tom Flowers Associates. The Port invited Stanford and Promus to submit proposals for the hotel development opportunity. Stanford was the only respondent to submit a proposal by the deadline of May 18, 1999. On August 10, 1999 the Port Commission authorized staff to enter into exclusive negotiations with Stanford. On November 7, 1999 the Port and Stanford executed an Exclusive Right to Negotiate agreement for a term of six months, with two six-month option periods. Stanford has exercised both options to renew, and the Agreement expires on May 7, 2001.

Stanford has been negotiating with several prominent first-class hotel franchisers, including Hilton, Marriott, Starwood and Embassy Suites, but no brand has yet been selected for the hotel. Stanford first presented its proposed design to the Port Commission in June 1999. Since that date, the design has undergone several revisions, some changes dictated by the hotel operators and some changes based on input from community groups, the Waterfront Design Advisory Committee and the Northeast Waterfront Advisory Group. The purpose of this presentation is to provide the Commission the current design based upon the input from the Waterfront Design Advisory Committee and the plan is currently reviewed by the community group.

Theresa Rea, representing Stanford Hospitality, assured the Commission that they have begun a public outreach effort. They have met with the various representatives who are interested in the neighborhood such as Telegraph Hill Dwellers, Chinatown CDC, Golden Gate Commons and Golden Gateway Center representatives and the North Beach Chamber. Their intention was to show them the concept as presented to the Commission and take their input and see how they can respond. They expect to take that input and revise the plans and begin round two and go back to the representatives of the interested group. They have also been in contact with Supervisor Peskin's office.

Paul Salisbury described the characteristics of the project. Mr. Salisbury pointed out that Clyde Gwynn, Senior Vice President of Stanford Hotels is also available to answer any questions. The hotel site consists of parcels belonging to the Port and the City. Stanford Hotel has gone through a series of studies of how it might be possible to develop a four star hotel on a site of complex configuration. Davis and Vallejo Streets have been and will continue to be closed at this point. This area will be kept as an open space and will be developed as public access. It is an important pedestrian connection and view corridor from Telegraph Hill. The access to the hotel is complicated because the Embarcadero is being developed. There's a lot of traffic and transit so no driveway or opening off of Embarcadero would be appropriate or permitted. Any access to the hotel off of Broadway would create congestion and traffic difficulties. The final decision was to concentrate all the arrival and departure of the hotel on Davis Street and to focus the service functions and entrance to the underground parking off of Vallejo Street in order to take both the congestion and the noise furthest away from the residential neighbors. With the hotel being split on two sides of the streets, a number of studies were done about the location of the registration lobby. They felt that it is important for the guests to arrive and enter the lobby with views through the waterfront activities and the urban action on the Embarcadero. There will be a pedestrian access at the intersection which was one of the important criteria that came out of the northeast waterfront district guidelines and the Port's guidelines so that the public is welcomed to the site. The building is essentially transparent and adds to the urban activity of the intersection. The T-shaped parcel will have the meeting rooms and the main kitchen in back of house areas with large and small ballrooms. There is also a possibility of some retail activity to help reinforce the commercial activity along the Broadway. The stretch of the Broadway has been designated by the Northeast Waterfront Advisory Committee and the Chinatown Chamber of Commerce and the North Beach Chamber of Commerce as the gateway to North Beach and Chinatown. They are in early stages of resolving how this important structure at this critical intersection could act as a signal and as a gateway to North Beach and Chinatown. Above the public level are the guestrooms. All of the public activities are concentrated on the main floor. On the Embarcadero triangle, there is configuration of guestrooms attempting to give the maximum number of use. At the second floor, there is a length that connects the groups of guestrooms. Originally, the u-shape was reversed to capitalize on views but it created a long massive façade towards the Telegraph Hill. It will still give nice views of the TransAmerica Pyramid and the Coit Tower. Typical floor above reflects the two groups of guestrooms tied together with a service length at the second floor. The upper floors will contain a health club and European health spa that could be used by guests and open to the public as well. The lower level of both parcels would be developed for parking. With valet parking, they could achieve something in the range of 210-230 parking spaces. They hope to do their part to mitigate their parking crunch along the Embarcadero because there will be parking available to the public going to the Waterfront Restaurant and other activities along the Embarcadero. That's how the plan has evolved. It was difficult enough to try to achieve a working hotel on a very complex though rewarding site. The challenge that they are continuing to study is what the building would look like and how it addresses itself to the neighbors.

In the northeast historic district, there is the tradition of the old masonry brick bearing wall warehouses that has some old structures dating from before the earthquake and

most of the post-earthquake structures which were also warehouses. The converted office buildings in the area are more of the structure frame, large open bay type of structure. They are looking for an expression that would fit comfortably in the neighborhood and will offer the opportunity for large windows for the guests but will have a comfortable scale to fit in the residential neighborhood.

The site had a zoning height restriction of 85 feet. When the freeway came down and in packaging the site and in working with the northeast historic district, the City departments, the neighborhood groups and the Port agreed that the maximum height on this site to be developed would be 65 feet. After the RFP had been awarded, it was decided that there would be enough steps to building down to 40 feet at Embarcadero. In meeting with the Design Review Committee, they felt that a stronger presence was needed along the Embarcadero to give continuity to the mass of the Gateway Commons and other buildings along the Embarcadero. They held the building back and have a series of open space landscaping terraces so that the restaurant would have outdoor dining and any restaurant in the hotel itself would also have a possibility of outdoor eating along the Embarcadero. That's a way to both make the hotel more inviting and to add to the growing activity along the Embarcadero.

Jennifer Clary, San Francisco Tomorrow, indicated that the Broadway Hotel was the first of the advisory groups that the Port set up. She's looking at all the different proposals such as Piers 27-31, the opening of Pier 1 and all the different proposals in the northern waterfront. It seems that there's a familiar theme going through all the proposals i.e. traffic and parking. It would be appropriate for the Port to take an overall look at how it will manage the transportation for these projects. The Port needs to fund transportation management plan so that the Port would not come up against a brick wall when the Port approves leases and get community support if these issues are addressed now. The Port is removing a lot of parking spaces in the Broadway Hotel area and replacing a few. She asked how the Port would handle the parking and serve the new needs. How will the Embarcadero promenade work with 200-300 cars crossing to use Chelsea Piers, what's the capacity of E & F Line to handle the new traffic on the new developments, do you need to form a partnership with the Market Street Railway to bring more old cars to San Francisco. Those are things that the Port should be looking at on an overall basis instead of relying on an EIR process with each project. She asked the Commission to look into those matters

Tom Flowers indicated that the presentation made by the Stanford people was effective but the basic problem is it won't happen. There is no way for a conventional hotel to be financed in that area at this time because of the history of San Francisco. We have great hotel occupancy which lasted until 1982. There are 10-12 new hotels coming up. The developers have to compete. They are a long way from Union Square, a long way from the downtown center. They will never get conventional financing. Stanford Hotel is not a local developer. He was one of the three competitors in the RFP process. His timeshare program had many advantages to San Francisco, less income to him but more income to the City and less disturbance to the neighborhood.

Commissioner McWilliams reminded Mr. Flowers that the Commission is taking comments on the presentation not on the general project.

6. NEW BUSINESS / PUBLIC COMMENT

Mark Montobbio, Attorney for General Lolli (Castagnola's) the proprietor of Castagnola's Restaurant, indicated that the Commission is scheduled to approve/disapprove the lease assignment between Mr. Lolli and the individuals in the process of purchasing Castagnola's Restaurant. Mr. Lolli owned the restaurant for 27 years. He has been a good employer, good tenant of the Port. He has been union the entire time. During the 1984 citywide restaurant strike, Castagnola's was one of the few restaurants that did not participate. He reached agreement with Local 2. He has been a supporter of the union all these years. For the last 8 years he represented Mr. Lolli, he has subsidized his restaurant in order to keep the employees working because over the years, the restaurant revenues have declined. He's 93 years old and about to sell his restaurant. He's made provisions that some of the profits, if not all, he obtains from the sale of the restaurant go to charitable organizations in San Francisco to help the homeless and other needy people.

In 1997, he negotiated with Local 2 a collective bargaining agreement that expired in April 2000. That agreement has not been renewed. Under the terms of that agreement, it stated... "delete Section 11, successorship in its entirety." The import of that was that Mr. Lolli was free to sell his restaurant without an encumbrance on the sale that would require whoever bought the business to become a successor to whatever contract Mr. Lolli had with the union. This was negotiated in good faith and it was in effect. Mr. Lolli's obligations as a result of that contract which is now expired has been to continue to pay his employees the wages and benefits he had negotiated before, which he has, and to pay it up to the time that he vacates the restaurant which is March 1st and to bargain upon request to Local 2 for a severance package. Local 2 has made that request. He and Mr. Lolli have negotiated with Local 2. They are awaiting a proposal from him on a severance package. Mr. Lolli has agreed to come up with some type of severance package for his employees. They were not obligated to do so but Mr. Lolli insisted. He has written Local 2 to advise them of the sale at a time when they did not know precisely know when the close of escrow would occur. An employer is not obligated to do that but he felt that the employees and his long-term relationship with Local 2 was such that he wanted to keep his employees as much time and notice as possible. Mr. Lolli distributed a memorandum to all of its employees advising them who the new owners were and to contact them and to send an application. He has complied with every single legal and moral requirements with the union. He has done every single thing he is obligated to do. There is no legal basis for the Port to deny the assignment of straight lease and for Local 2 to squash the deal.

David Miles spoke about the Chelsea Piers versus Mills Corporation proposals for Piers 27-31. In his opinion, the Chelsea Piers proposal would best serve the City's interest. Their proposal has more spaces dedicated towards recreation. He urged the Commission to adopt the Chelsea Pier proposal.

Walter Johnson, Labor Council, read Father O'Donnell's statement. "Local 2 has asked that I speak with the Port Commission. Morally, the Port should deny Stinking Rose Restaurant its application to buy Castagnola's where workers have chosen Local 2 to represent them. The site, the place, the workers and customers and the work do not change with the change of ownership. It is immoral and unjust for the owner to arbitrarily and to alter substantially the working relationship for the sole purpose of increase profit. Also for

a non-union shop to purchase a union shop and de-unionize it is un-San Franciscan, un-American and unjust."

Mr. Johnson pointed out that the San Francisco Labor office strongly supports Local 2 and disagreed with Mark Montobbio on the negotiations. San Francisco is their territory. Why should somebody come in from another area, Stinking Rose Restaurant, and say they are going to get the restaurant. Unfortunately, the members will suffer. The City of San Francisco, the owner of the land, has the responsibility to make sure that the humanistic rules in the City are followed. The San Francisco Labor Council is going to draw a line in the sand and say that this restaurant is not going to be allowed to operate non-union. He will guarantee, that if necessary, they will have many people to send out messages loudly and clearly that San Francisco, the City that knows how, and they know how to make sure that San Francisco knows how.

Shirley Buckingham, a 4-year employee of Castagnola's, indicated that she has done everything to help the restaurant. Working there with the union is a good thing for her because of the benefits. Her son has asthma and they need the union because the benefits are good and important to them. Without that, they will be in trouble. They work hard for Mr. Lolli. He cares for the workers and for the homeless.

Han Minh, a 10-year employee of Castagnola's, indicated that she never called-in sick and worked hard for Mr. Lolli. She supports a son in college, a 21-month old baby and her parents. She needs a union job because of the benefits they offer. There are other employees at Castagnola's whose been there for 20-30 years. If the restaurant is sold, they would be in trouble.

Po Mak, interpreted by Ms. Minh, a 22-year employee at Castagnola's as a night porter, indicated that when he started with Castagnola's they were already union and they love having the union. He depends on the union job to support his wife and 4 kids. He worked at Castagnola's almost half of his life; he is old and cannot find any job because nobody wants him because he cannot speak English. He does not know what he will do if he loses this job. When he came to United States, he devoted his life at Castagnola. He worked hard, he never called in sick and he never complained. Now that his younger years are over, he does not know what he's going to do since nobody will hire him. He needs the union benefits because he and his wife are getting older. Without the benefits, they cannot survive. His wife is very sick and needs the union benefits.

Ernestine Weiss spoke about the underground garage. The developer at first said that he would spent any amount of money to put a garage underground at Block 202. The owners have put upon the City to build the garage. The Board of Supervisors will never pass that. Downtown has a lot of transit and the Port should discourage any more cars in this area.

Jim McCormick, staff person at Local 2 who negotiated the contract for Castagnola's in 1997, responded to Mr. Montobbio's remarks about the successorship agreement. At the time, it was a difficult negotiation. Mr. Montobbio asked to remove that section of successorship from the contract. They all knew that the language was not enforceable. Based on that not being enforceable and in order to settle the contract that was difficult to settle, they agreed to remove that section of the contract. They intended to introduce an enforceable successorship agreement in the following negotiations of 2000. They

introduced an enforceable successorship section for the contract. When they negotiated out the successorship section, they were told that they had no intent to sell the restaurant.

Mike Casey indicated that there is a cook at Castagnola's who's been there for 30 years. He won't have medical benefits if this place is sold and the workers are out on the street. He is 61 years old. There is a waiter who's been there for 23 years; he's 52 years old. He has 4 kids; he's not going to have medical benefits. He has a mortgage of $1300 a month. There's a waiter who's been there for 22 years; he will also not have medical benefits. There are dishwashers, one's been there 23 years. He's 55 years old. He won't have medical benefits. His monthly rent is $1,000. They did a survey of the workers at Castagnola's and Local 2, whether they are fighting a company like Marriott for 900 workers and the right to organize and for Castagnola's, a restaurant of 35 workers, they will do everything it takes to protect those workers job and keep that place union. The statistics shows that over 50% of the workers have more than 10 years seniority. Half of them have dependent children. 87% of them are primary breadwinners. 90% will be without health benefits if a new operator comes in and throws these workers out. There's a lot of good reasons to do the right thing. These workers are the real reason. He wanted to be clear that he knows that the Commission can't and won't make those decisions because it's only the right thing to do by these workers. The Commission has the proprietary interest of this Port and this City at stake. This union will picket, will boycott, and will demonstrate in order to make their voices heard. This is an injustice. They will not stand by and let this occur. The effect of the 1984 strike had a devastating effect in terms of revenue in this City in the three months between September and November of 1984, Scoma's rent dropped $40,000. Grotto 9 lost in excess of $20,000. When they struck the Mark Hopkins hotel in 1994, that hotel lost $9 million. Picketing, demonstrating and boycotting will absolutely have an adverse effect on the proprietary interest of this City. Under "Boston Harbor Decision" Mike Casey stated that the Port does have legal recourse. He argued that the Port has a fiduciary responsibility to act in the interest of this City. The boycott and the demonstration will cost the City hundreds of thousands over time. They have spent four years at the Marriott. They are not a union that will go away. He indicated that he has copies of a memo that was sent from their lawyer to the Port's lawyer stating how the Port can legally intervene. The Port has the right under the Boston Harbor Decision in order to protect the City's interest. Over the last couple of months, this agency has threatened to declare eminent domain at the World Trade Club. As of this date, 125 workers at the World Trade Club do not have any guaranteed jobs. At the end of this month, they are out of the building and out on the streets. If Castagnola's closes, another 35 employees are out on the street; a total of 160 people that this agency would have been responsible for having put out on the streets. He asked the Commission to not participate in the union busting; protect the City's proprietary interest and asked the Commission to not just act in the interest of the workers but on their interest and make sure that the Port does not lose all the revenues as a result of the demonstrations.

Zach Phillips, representing the sport of roller soccer, talked about the Pier 27-31 project. He supports the Chelsea Piers proposal because the people of San Francisco deserve a world-class facility. Chelsea Piers would have a roller rink where they could host their game. All their players not only play soccer but they participate in all the sports that Chelsea Piers offer. They believe that the recreation facility fulfills the RFP's requirement.

7. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion.

At 8:20, the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS:

a. Discuss existing litigation matters pursuant to subdivision (a) & (d) of California Government Code Section 54956.9:

- Tien Than Nguyen v. CCSF; Superior Court Case No. 300653
- F. Alioto Fish Co. v. CCSF, Port et al., Superior Court No. 318360
- Commercial and Interiors Construction, Inc., and CICO-R&W, a Joint Venture v. City and County of San Francisco, and related cross-actions; Santa Clara Superior Court No. CV 782855; and In re: September 27, 2000 Investigation by San Francisco Human Rights Commission re: Commercial Interiors & Construction, Inc., et al., (Action Items)

Approval of settlement of remaining litigation arising from Port construction contract 2616 (Pier 35 Passenger Terminal Escalator/Elevator) and construction contract 2594 (Ferry Building Seismic Repair) upon terms which include contractor's voluntary debarment from City public works contracts for a period of 5 years, in exchange for City's dismissal of claims for false claims and fraud. The debarment shall apply to contractor Commercial Interiors and Construction Inc., and its principals and related entities, and shall encompass the bidding and/or performance of any work as a prime contractor or subcontractor under any public works contract advertised or awarded by the City for 5 years.

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

b. Property: Piers 27-31
Person Negotiating: Port: Kirk Bennett, Manager, Waterfront Development

Projects
*Chelsea Piers Management, Inc.: Roland W. Betts
*The Mills Corporation: Edward B. Vinson

c. Property: Pier 70 Opportunity Area
Person Negotiating: Port of San Francisco: Byron Rhett, Director of Planning and Development.

d. Property: 601 Cesar Chavez Street
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Finer's Diner: Steve Finer, President
*Cliff's Barbecue & Seafood: Clifton Turner, Owner

e. Property: Pier 45, Shed A
Person Negotiating: Port of San Francisco: Byron Rhett, Director, Planning & Development
*Malrite Group: Dennis Barrie

f. Property: Pier 24-½ (Pier 24 Annex)
Person Negotiating: Port of San Francisco: Byron Rhett, Director Planning & Development
*Metropolis Partners, Inc. & Polatnick Properties: D.Agger & D.Polatnick

g. Property: Castagnola Restaurant @ Jefferson Street
Person Negotiating: Port of San Francisco: Theresa Picon, Director, Real Estate
*Castagnola Restaurant: General Lolli

h. Property: Rincon Park Restaurants at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Byron Rhett, Director of Planning and Development.
*Rincon Park Restaurants LLC.: Reed Hearon

8. RECONVENE IN OPEN SESSION

At 10:20 p.m. the Commission reconvened in open session.

ACTION: Commissioner Hardeman moved approval not to disclose any information discussed in executive session; Commissioner McCarthy seconded the motion.

The meeting was adjourned at 10:20 p.m.

SAN FRANCISCO
PORT COMMISSION

DOCUMENTS DEPT.

FEB 2 3 2001

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PUBLIC LIBRARY

REGULAR MEETING
4:00 P.M., FEBRUARY 27, 2001
BAYSIDE CONFERENCE ROOM
PIER 1, S.F. 94111

Due to the upcoming Ferry Building renovation, effective February 27, 2001, the Port Commission meetings will be held in the Bayside Conference Room at Pier 1.

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - February 13, 2001 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Approval of amendment to the Port Commission Rules of Order to reflect the change of the meeting location for Port Commission meetings. (Resolution No. 01-11) (Staff report provided to Commission.)

4. **REAL ESTATE**

   A. Adoption of findings under the California Environmental Quality Act (CEQA) and approval of Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) to Lease a 17 acre parcel of the Western Pacific Railroad Yard located adjacent to Pier 80 between Illinois, Cesar Chavez, Maryland, and 25th Streets. (Resolution No. 01-15) (Staff report provided to the Commission.)

5. **ENGINEERING & MAINTENANCE**

   A. Informational Briefing on Status of Engineering & Maintenance Projects. (Staff report provided to the Commission.)

   B. Authorization to execute First Amendment to Professional Services Contract No. CT3980009, Downtown Ferry Terminal, with San Francisco Port Management Consultants for additional construction support work and project management assistance. (Resolution No. 01-14) (Staff report provided to the Commission.)

6. PLANNING & DEVELOPMENT

A. Informational Briefing on Status of Planning & Development Projects. (Staff report provided to the Commission.)

B. Amendment of the Waterfront Land Use Plan ("Waterfront Plan") to (1) realign the northern boundary of the Southern Waterfront Subarea so as to place Pier 66, and portions of Seawall Lots 345 and 349 (east side of Illinois Street from 18th Street to south of Mariposa Streets) within the Southern Waterfront Subarea rather than the South Beach/China Basin Waterfront Subarea, (2) modify the Pier 70 Mixed Use Opportunity Area to extend northerly up to and including Pier 66 and portions of Seawall Lots 345 and 349, and to exclude Union Iron Works Bldgs. 36 and 109; (3) include "Artists/Designers" as an Acceptable "A" use within the Southern Waterfront Acceptable Land Use Table for the Pier 70 Mixed Use Opportunity Area; and amendment of the Waterfront Plan's Design & Access Element to relocate Pier 66 and portions of Seawall Lots 345 and 349 from the Mission Bay Subarea to the Pier 70 Subarea. (Resolution No. 01-12) (Staff report provided to the Commission.)

C. Authorization to Issue a Request for Proposals for a Non-Profit Arts Project and a Mixed Use Development Project, both within the Pier 70 Mixed Use Opportunity Area (Resolution No. 01-13) (Staff report provided to the Commission.)

7. FINANCE & ADMINISTRATION

A. Approval of the Port's 2001/02 Capital Plan. (Resolution No. 01-10) (Staff report provided to the Commission.)

B. Approval of Revision to the Port's 2001/02 Operating Budget. (Resolution No. 01-09) (Staff report provided to the Commission.)

8. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding the Bryant Street Pier Project.

b. Property: Piers 27-31
Person Negotiating: Port: Kirk Bennett, Manager, Waterfront Development Projects
*Chelsea Piers Management, Inc.: Roland W. Betts
*The Mills Corporation: Edward B. Vinson

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 27-31.

c. Property: Castagnola Restaurant @ Jefferson Street
Person Negotiating: Port of San Francisco: Theresa Picon, Director, Real Estate
*Castagnola Restaurant: General Lolli

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Castagnola Restaurant.

10. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

11. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's web site at www.sfport.com.

FEBRUARY/MARCH 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Effective February 27th, the Port Commission meetings will be held in the Bayside Conference Room at Pier One.			
February 27	4:00 p.m.	Port Commission	Bayside Conference Room Pier 1
March 13	4:00 p.m.	Port Commission	Bayside Conference Room Pier 1
March 27	4:00 p.m.	Port Commission	Bayside Conference Room Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***Effective February 27th, the Port Commission meetings will be held in the Bayside Conference Room at Pier 1.***

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website
Check out the Port's Website at **www.sfport.com.**

Questions/Contacts

Fisherman's Wharf Waterfront Advisory Group	Kirk Bennett	274-0545
Pier 70 Advisory Group	Anne Cook	274-0483
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Shawna Horde	274-0400

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. The west entrance is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

MEMORANDUM

February 22, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of amendment to the Port Commission Rules of Orders to reflect the change of the meeting location for Port Commission meetings.

DIRECTOR'S RECOMMENDATION: APPROVE ATTACHED RESOLUTION

Article II of the Commission's Rules of Order states that regular meetings of the Port Commission shall be held on the second and fourth Tuesday of each month. Meetings will be held in the Commission Room, on the third floor of the Ferry Building, Suite 3100, at 4:00 p.m.

Since the Ferry Building is undergoing renovation and Port staff has relocated its offices to Pier 1, staff is proposing that the Commission meetings be held in the Bayside Conference Room at Pier 1 until such time that the Ferry Building renovation is completed in mid-2002. At that time, the Port Commission Meetings will again be held in the Commission Room, on the third floor of the Ferry Building at 4:00 p.m.

A copy of the amendment to the Commission's Rules of Order will be forwarded to the Commission upon its approval.

This Print Covers Calendar Item No. **3B**

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-11

WHEREAS, Article II, Item 1 of the Commission's Rules of Order states that regular meetings of the Port Commission shall be held on the second and fourth Tuesday of each month. Meetings will be held in the Commission Room, on the third floor of the Ferry Building, Suite 3100, at 4:00 p.m.; and

WHEREAS, Since the Ferry Building is undergoing renovation and Port staff has relocated its offices to Pier 1, staff is proposing that the Commission meetings be held in the Bayside Conference Room at Pier 1 until such time that the Ferry Building renovation is completed in mid-2002. At that time, the Port Commission Meetings will again be held in the Commission Room, on the third floor of the Ferry Building at 4:00 p.m.; now, therefore, be it

RESOLVED, That Article II, Item 1 of the Commission's Rules of Order be amended as follows:

- Regular meetings shall be held on the second and fourth Tuesday of each month. Port Commission meetings be held in the Bayside Conference Room at Pier 1 until such time that the Ferry Building renovation is completed. At that time, the Port Commission Meetings will again be held in the Commission Room, on the third floor of the Ferry Building at 4:00 p.m.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 27, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

February 27, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy, Commissioner
Hon. Michael Hardeman, Commissioner
Hon. Pius Lee, Commissioner

FROM: Douglas F. Wong
Executive Director

SUBJECT: Adoption of Findings under the California Environmental Quality Act and Approval of Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) to Lease a 17 acre parcel of the Western Pacific Railroad Yard located adjacent to Pier 80 between Illinois, Cesar Chavez, Maryland and 25th Streets.

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

Background

Pursuant to Mission Bay Port Land Transfer Agreement, dated November 16, 1998, the Port acquired from Catellus Development Corporation an approximately 27 acre site commonly known as the Western Pacific Railroad Yard. The Port holds title to the portion of the Western Pacific Railroad Yard outside the 150 foot shoreline band free and clear of the public trust.

MUNI is presently undertaking planning and development of the Third Street Light Rail System, which will extend light rail service along the Third Street Corridor across the Peter R. Maloney (Fourth Street) Bridge to Bay View/Hunters Point. The Third Street Light Rail will significantly benefit the Port by providing improved public transportation and access to Port property located in the Southern Waterfront area, including the Mission Bay open space located within Port jurisdiction, the Port's opportunity area at Pier 70, the Port's marine terminals at Pier 80 and 94-96, and Port open space at Islais Creek and Heron's Head Park.

THIS PRINT COVERS CALENDAR ITEM NO. **4A**

An essential component of the Third Street Light Rail System is the MUNI Metro East Maintenance and Operations Facility, which will serve as the maintenance and storage yard for light rail cars along the Third Street Light Rail line. The Port and MUNI have identified an approximately 17 acre site of the Western Pacific Railroad Yard as the optimum site for the MUNI Metro East Maintenance and Operations Facility.

MUNI has expressed an interest in leasing the 17 acre site from the Port, and Port staff has negotiated the terms and conditions for MUNI's proposed use of the property. These terms have been incorporated into a Memorandum of Understanding (MOU), which is on file with the Commission Secretary.

MUNI has obtained financing from the Transportation Authority (TA) to pay for MUNI's use of the Western Pacific site and has also received an additional $4 million which MUNI will allocate toward the funding of the Illinois Street Bridge. The Illinois Street Bridge will allow the Port to continue rail service to the Pier 80 Cargo Container Facility and greatly enhance truck access to the Port's maritime facilities at Piers 80 and 94/96.

The basic terms and conditions of the MOU are discussed below:

Proposed Terms and Conditions

(1) Premises: Approximately 17 acres of real property located at the Western Pacific Railroad Yard parcel, bounded by Illinois, Cesar Chavez, Maryland and 25th Streets, as more particularly described in Exhibit A attached hereto.

(2) Use Fee: $25.7 million, in a one-time advance payment, which represents the fair market value of the Premises.

(3) Pass Through: MUNI shall further pay to the Port $4 million, which was allocated by the Transportation Authority, for the construction of the Illinois Street Bridge.

(4) Use: The construction and operation of the MUNI Metro East Maintenance Facility including; light rail vehicle storage, operations and maintenance facilities serving 3rd Street Light Rail and for other MUNI operational needs.

(5) Term: MUNI shall have exclusive use of the property, in perpetuity, for so long as the Premises are used for the permitted uses under the MOU.

(6) Environmental Remediation: Muni agrees to assume the liability for the handling of any hazardous materials on the 17 acres of the Western Pacific site.

(7) Public Trust: The Port may desire to place the State Public Trust (Trust) on the 17 acres of the Western Pacific Railroad Yard. The Port shall have up to 7 years to place the Trust on the 17 acres. If at the end of 7 years the Port has not placed the Trust on the Western Pacific site, then the 17 acres will become Muni fee-owned property through a City interdepartmental transfer.

(8) Right of First Refusal: If the Port chooses to sell the remaining 10 acres of the Western Pacific property in the future, MUNI shall have the right of first refusal for the acquisition, at fair market value, of said property. MUNI shall have 60 days to exercise its right after formal notice from the Port of the property's availability.

(9) Assignment of Lease: The Port currently has a lease on the Premises with Pacific Cement Company. The lease expires on June 30, 2001. Muni has agreed on assignment of that lease from the Port for the remainder of the lease term.

(10) Acknowledgement and Waiver: If the Port transfers the Premises to MUNI in fee, MUNI agrees that future occupants will acknowledge the Port's industrial and other uses in the area, and will waive rights to bring suit against the Port arising out of the impacts of Port uses on the Premises.

California Environmental Quality Act ("CEQA")

MUNI has applied for and received all environmental clearances from the City and County of San Francisco Planning Department, Office of Environmental Review (OER). The Final Environmental Impact Report (Final EIR) was published on November 16, 1998. On December 3, 1998, the San Francisco Planning Commission certified the Final EIR in Motion No. 14742 finding in its independent judgement, that the Final EIR was objective, complete and in compliance with CEQA.

The Port Commission is being asked to authorize the Executive Director to execute the attached MOU with MUNI for 17 acres of the Western Pacific Railroad Yard, and to adopt certain findings under the California Environmental Quality Act with regard to the Environmental Impact Report.

Prepared by: Mark W. Lozovoy, Assistant Deputy Director, Real Estate

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-15

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the City and County of San Francisco; and

WHEREAS, the Port and Catellus Development Corporation ("Catellus") are parties to the Port Land Transfer Agreement ("PLTA"), dated as of November 16, 1998. Under the PLTA, the Port agreed to transfer certain Port lands to Catellus in exchange for, among other things, the Western Pacific Railroad Yard located adjacent to Pier 80; and

WHEREAS, MUNI is presently undertaking planning and development of the Third Street Light Rail System, which will extend light rail service along the Third Street Corridor across the Peter R. Maloney (Fourth Street) Bridge to Bay View/Hunters Point. The Third Street Light Rail will significantly benefit the Port by providing improved public transportation and access to Port property located in the Southern Waterfront area, including the Mission Bay open space located within Port jurisdiction, the Port's opportunity area at Pier 70, the Port's marine terminals at Pier 80 and 94-96, and Port open space at Islais Creek and Heron's Head Park; and

WHEREAS, an essential component of the Third Street Light Rail System is the MUNI Metro East Maintenance and Operations Facility, which will serve as the maintenance and storage yard for light rail cars along the Third Street Light Rail line. The Port and MUNI have identified an approximately 17 acre site of the Western Pacific Railroad Yard as the optimum site for the MUNI Metro East Maintenance and Operations Facility; and

WHEREAS, the Public Transportation Agency (MUNI) has proposed to construct and operate the MUNI Metro East Maintenance Facility on a 17 acre parcel of the Western Pacific Railroad Yard parcel, as shown on Exhibit A attached to the Memorandum of Agenda Item 4A for the February 27, 2001, Port Commission meeting; and

WHEREAS, Port staff has negotiated the terms and conditions for MUNI's proposed use of the Western Pacific site, which have been incorporated into a Memorandum of Understanding (MOU) between the Port and MUNI, the terms of which are set forth in the Memorandum of Agenda Item 4A for the Port Commission meeting of February 27, 2001; and

WHEREAS, in August 1999, MUNI began preparation of an Environmental Impact Statement/Report (EIS/R) for the Third Street Light Rail Project that considered three alternatives: No Project Alternative, a No Build/Transportation systems Management (TSM) Alternative (upgraded diesel service) and a Light Rail Build Alternative; and

WHEREAS, on April 3, 1998, a Draft Environmental Impact Statement/Draft Environmental Impact Report ("DEIS/DEIR") was published by the Federal Transit Administration and San Francisco Planning Department, respectively, (State Clearinghouse No. 96102097, SF Case File No. 96.281E) for an expansion of MUNI light rail service to the Third Street Corridor; and

WHEREAS, on June 23, 1998, the Public Transportation Commission ("PTC") selected the Light Rail Build Alternative, with two project phases, as the Locally Preferred Alternative; and

WHEREAS, pursuant to CEQA, the Guidelines for Implementation of CEQA, Title 15 California Code of Regulations Sections 15000 et seq., ("CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"), entitled Environmental Quality, and the National Environmental Policy Act ("NEPA") 42 U.S.C. Section 102 eq seq., and the Council on Environmental Quality Regulations, 40 C.F.R. 1500.1 et seq., all written and oral comments were considered and analyzed; and

WHEREAS, the Final Environmental Impact Statement/Report (Final EIR) was published on November 16, 1998; and

WHEREAS, on December 3, 1998, the Planning Commission as the lead agency pursuant to CEQA, the CEQA guidelines and Article 31, certified the Final EIR in Motion No. 14742, finding in its independent judgment, that the Final EIR was objective, complete and in compliance with CEQA and the CEQA Guidelines; now, therefore, be it

RESOLVED, that this Commission, in exercising its independent judgment, makes and adopts the findings under CEQA, incorporated by reference and attached hereto as Attachment A, for approval of the Light Rail Alternative; and, be it

RESOLVED, that the mitigation measures described in Section IV of Attachment A attached to Resolution and incorporated by reference herein which impact the proposed Memorandum of Understanding are adopted as conditions of approval; and, be it

RESOLVED, that based upon this Commission's review of the Final EIR, the Commission further finds that (1) modifications incorporated into the project will not require important revisions to the Final EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the project will be undertaken which would require major revisions to the Final EIR due to the involvement of new environmental effects, or a substantial increase in the

severity of effects identified in the Final EIR; and (3) no new information of substantial importance to the project has become available which would indicate (a) the project has significant effects not discussed in the Final EIR, (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the Final EIR would substantially reduce one or more significant effects on the environment; and be it further

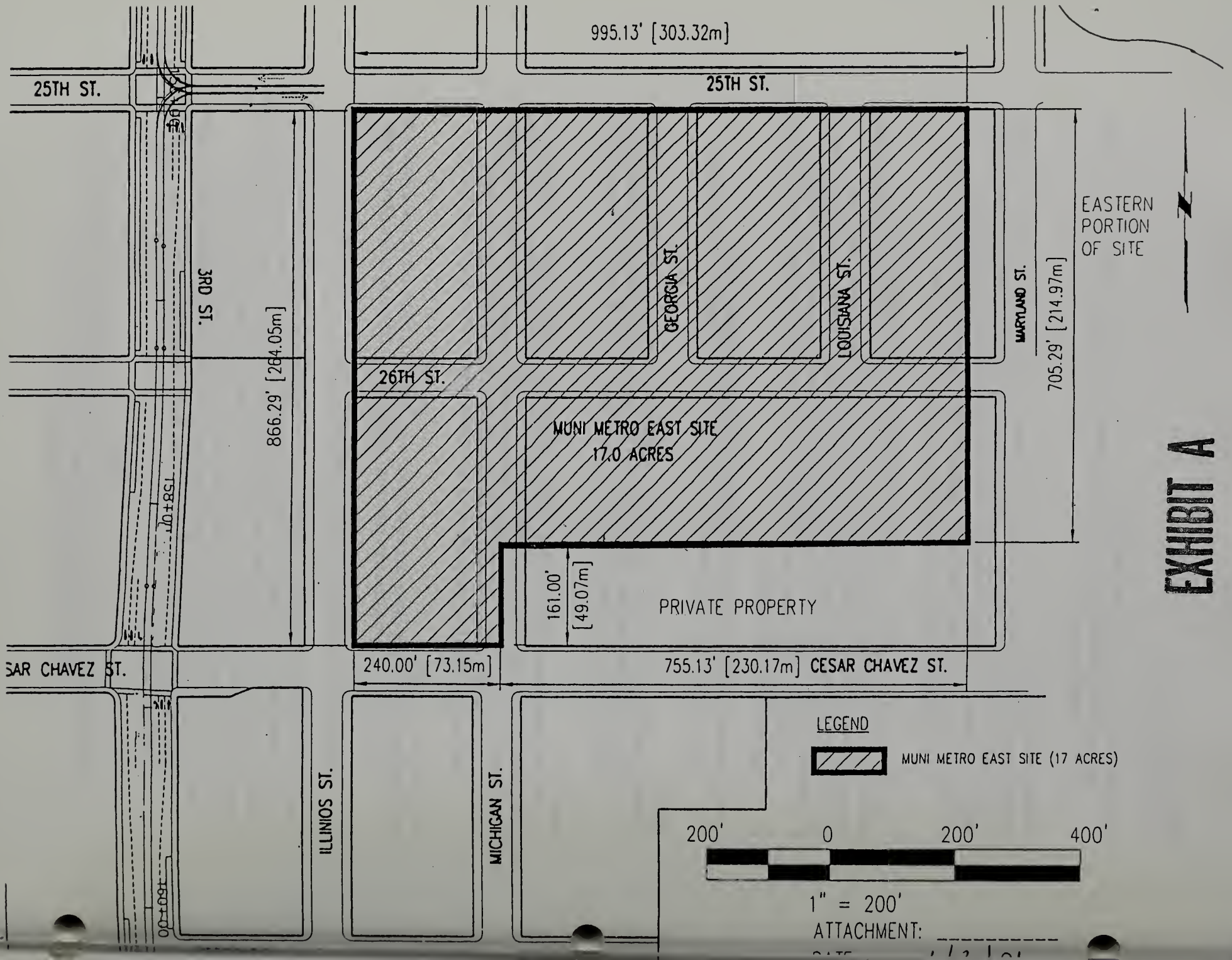
RESOLVED, that the San Francisco Port Commission, hereby approves the Memorandum of Understanding upon the terms and conditions set forth in the Memorandum of Agenda Item 4A for the February 27, 2001 Port Commission meeting, and authorizes the Executive Director to execute the Memorandum of Understanding in such final form as is approved by the City Attorney; and be it further

RESOLVED, that the Port Commission hereby approves the Assignment of Lease No. L-12645, dated May 18, 1990 assigning such lease to from the Port to MUNI in such form as is approved by the City Attorney; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director, in consultation with the City Attorney, to take all such further action, including executing further documents or assurances necessary to implement the intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 27, 2001.

_____
Secretary


995.13' [303.32m]
25TH ST.
25TH ST.
3RD ST.
866.29' [264.05m]
GEORGIA ST.
LOUISIANA ST.
MARYLAND ST.
705.29' [214.97m]
EASTERN PORTION OF SITE
26TH ST.
MUNI METRO EAST SITE
17.0 ACRES
161.00'
[49.07m]
PRIVATE PROPERTY
SAR CHAVEZ ST.
240.00' [73.15m]
755.13' [230.17m] CESAR CHAVEZ ST.
ILLINOIS ST.
MICHIGAN ST.
LEGEND
MUNI METRO EAST SITE (17 ACRES)
200' 0 200' 400'
1" = 200'
ATTACHMENT:
EXHIBIT A

ATTACHMENT A
THIRD STREET LIGHT RAIL PROJECT APPROVAL
FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
(CEQA)

I. Introduction

The following findings for project approval of the Third Street Light Rail Project ("Project"), (SCE #96102097, SF Case File # 96.281E) are hereby adopted by the Public Transportation Commission ("Commission") pursuant to the requirements of the California Environmental Quality Act, California Public Resources Code, Sections 21000 *et seq.*, ("CEQA"), the Guidelines for Implementation of CEQA, Title 15 California Code of Regulations Sections 15000 et seq., ("CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"), entitled Environmental Quality.

The Project is described in detail in Section II below.

Section III of this document sets forth the basis for approval of the Project, and the economic, social and other considerations which support rejection of the Alternatives analyzed in the FEIR.

Section IV sets forth findings as to the disposition of each of the mitigation measures proposed in the FEIR. Mitigation measures are grouped in the following categories: (1) Adopted; and, (2) Under the Jurisdiction of Other City Agencies. Exhibit 1, attached to these findings, contains the Mitigation Monitoring Program. The full text of the mitigation measures as proposed in the FEIR is set forth in Exhibit 2 attached hereto.

Section V identifies the significant adverse environmental impacts (including the unavoidable significant adverse impacts) of the Project which have not been mitigated to a level of insignificance by the adoption of mitigation measures as provided in Section IV above.

Section VI contains a Statement of Overriding Considerations, setting forth specific reasons in support of the Commission's approval of the Project.

II. Project Description

The Project would construct a light rail line, linking some or all of the Chinatown, Downtown, South of Market, Potrero Hill, Bayview-Hunter's Point, ad Visitaction Valley/Little Hollywood neighborhoods, primarily along Third Street. The Project would operate at service levels comparable to existing MUNI Metro service levels and frequencies. The Project also includes the transit and roadway improvements described in the No Build/TSM Project (No Project) Alternative (*see* Section III below).

The Project consists of two very distinct components, with sequential implementation: The Initial Operating Segment ("IOS") will be operational in 2003, while construction will begin on the New Central Subway ("NCS") after 2008. Additionally, the Project would include construction of a new light rail maintenance and storage facility on 13 acres of the western section of the former Western Pacific rail yard, located north of Pier 80.

A. Approvals

Prior to implementation of these two phases, the following approvals and related and collateral actions would be necessary:

1. Advisory Council on Historic Preservation/State Historic Preservation Officer: concurrence with protection and mitigation of historic and cultural resources;

2. Regional Water Quality Board: General Construction Activity Stormwater Permit;

3. Bay Area Air Quality Management District: operations;

4. California Public Utilities Commission: Permits at all crossings and request to deviate from certain CPUC standards;

5. San Francisco Department of Health: Approval of site remediation plans under Public Works Code Article 20;

6. San Francisco Planning Department: General Plan consistency findings and Prop. M (Planning Code Section 101.1) findings;

7. San Francisco Public Utilities Commission: inclusion in Batch Industrial Wastewater Discharge Permit;

8. San Francisco Parking and Traffic Commission: Approval required for surface street changes; traffic operation changes, traffic control measures, and on-street parking changes;

9. San Francisco Public Transit Commission: Approval for municipal transit realignments;**{???WHY NOT NOW???}**

10. San Francisco Redevelopment Agency: No construction related approvals; only required for consistency with existing or proposed Redevelopment plans;

11. San Francisco Port Commission: Approval of lease of Western Pacific site;

12. Bay Conservation and Development Commission: coastal development permit;

13. CalTrans: permit for right-of-way encroachment;

14. US Army Corps of Engineers, US Fish and Wildlife Service and California Department of Fish and Game: permit for installation of underwater cable on Mission and Islais Creeks; and,

15. San Francisco Board of Supervisors: Approval of permits for street construction/excavation; changes to sidewalk width; traffic control and operation changes; and approval of lease between Port and MUNI.

B. Detailed Project Description

The Project would include two (2) components that are detailed below.

1. Initial Operating Segment (IOS)

The IOS phase would extend the existing J-Church service form the Market Street Metro extension along Third Street and Bayshore Boulevard to the CalTrain Bayshore station. The IOS would be built in 6 (six) segments as follows:

A. Segments

1. CalTrain Bayshore Station to Highway 101 Overcrossing

The southern terminus at the Bayshore Station would be an intermodal facility to facilitate transfer between the light rail and CalTrain, SamTrans, MUNI busses and possibly a private shuttle to support the proposed 49er's mall and stadium. Additionally, if demand warrants, either a parking structure for up to 285 cars or a surface parking lot for up to 145 cars, would be provided at the southern terminus.

Five privately owned parcels would need to be acquired to construct the station. An existing Union Pacific Railroad spur track would need to be relocated.

En route to Highway 101 overcrossing, Blanken will need to be realigned near Bayshore to accommodate a station immediately south of Blanken/Bayshore. Nearing

the 101 overcrossing, there will be two left turn lanes and a retaining wall. Rights of way will need to be acquired from CalTrans to construct the retaining wall. Descending past Highway 101 to Third Street eliminates left turns from Le Conte, Keith and Key to Third Street. These turning movements are proposed for replacement by extending Keith Northeast along the existing CalTrans right of way. Also, curb parking would be lost on Third between Le Conte and Key.

2. Highway 101 Overcrossing to Thomas Avenue

The existing CalTrain Bayshore Boulevard/Third Street overpass would be extended north and south. Additionally, the existing northbound Third Street off-ramp would be redesigned to allow northbound mergers to Third Street without impeding light rail movement. On street parking would be eliminated along Third between Jamestown and Van Dyke.

3. Thomas Avenue to Kirkwood Avenue

The mixed flow option is the preferred design for this segment. in this design, the inside traffic lane would transition to the light rail right of way north of Kirkwood and south of Thomas. In the transition blocks, the median would widen and the light rail right of way would give way to mixed flow operation, allowing parking to remain on most blocks of Third Street along this segment. This configuration would result in a net gain of 16 parking spaces and wider sidewalks to facilitate commercial beautification. Finally, all station platforms would be center platform configuration.

4. Kirkwood Avenue to 16th Street

This segment would cross Islais Creek on the existing double leaf bridge, constructed in 1945. No structural improvements would be needed to accommodate the light rail vehicles. Curb parking would be displaced on blocks containing station platforms and lighting standards would be relocated from the median to sidewalks.

Mission Bay and the proposed new maintenance and storage facility would be served by direct extensions of this segment.

5. 16th Street to King Street

This segment would directly serve the Mission Bay Redevelopment area. The light rail would operate in mixed traffic in both directions. The 4th Street Bridge will support two light rail tracks serving as the Project's route across Mission Creek. The 4th Street Bridge is proposed for future seismic upgrade by the Department of Public Works as a separate project. No major modifications, including seismic upgrades, to the 4th Street Bridge are required solely to carry light rail traffic. However, some structural modifications may be required to strengthen only the bridge deck.

6. King Street to Market Street Subway

From 4th Street, the IOS would merge with the existing MUNI Metro Extension track along King and the Embarcadero to the Market Street Subway, operating as the J-Church line.

B. Station Platforms

Surface stations will be spaced every 3-5 blocks except in the Bayview commercial core. High platforms will be used at stations along 3rd Street

2. New Central Subway (NCS)

South of King Street, the NCS would have the same southern terminus as the IOS, as well as share the same stations, alignment and routing. North of King Street, the NCS

would travel in a surface/subway configuration, operating independently of the existing MUNI Metro. The northern terminus would be Stockton/Jackson. Stations would be located at Third Street between King Street and Townsend (northbound only); Moscone Center (Third Street between Folsom and Howard Streets); Market Street (Third Street between Mission and Stevenson Streets); Union Square (Stockton/Post); and, Chinatown (Stockton/Clay).

Up to 87 parking spaces would be eliminated between Townsend and Bryant on 3rd and 4th Streets. Construction to accommodate the light rail at the Market Street Station would displace an 8 foot diameter trunk sewer line. Finally, widened sidewalks at the Chinatown station would displace approximately eight (8) parking spaces.

Because the NCS component would not be built until 2008 at the earliest, long after the IOS is operational, construction of the NCS may require subsequent environmental review under CEQA and/or NEPA.

3. New Maintenance and Storage Facility

A new maintenance and storage facility will be constructed on 13 acres of the former Western Pacific Railroad site, currently owned by the Port. Light rail vehicle access would be via an eastward extension of 25th Street into the northwest corner of the site.

III. Alternatives

In addition to the Light Rail Project, the FEIR analyzed the No Build/TSM and No Project Alternative. This section describes the attributes of the alternatives and provides the Commission's reasons for rejecting as infeasible the Alternatives or any of their elements.

A. No Build/TSM Alternative and No Project Alternative

1. No Project Alternative

The No Project Alternative is the existing transportation system augmented only by modifications that are already underway in the Third Street corridor. This alternative accordingly consists of the existing MUNI route network, fleet size and mix, facilities and existing service frequencies. This alternative assumed no changes to the existing roadway system, including no adjustments to meet 2015 transportation demand.

The following transit and roadway improvements comprise the baseline:

1. LRV Fleet Replacement/Expansion;
2. 15-Third bus line signal preemption;
3. 30 Stockton and 22-Fillmore coach upgrades;
4. Extension of the F-line and connection with Embarcadero MUNI Metro extension;
5. Islais Creek bus maintenance and storage facility;
6. Potential relocation of Transbay Terminal;
7. Mid-Embarcadero Roadway redesign;
8. Bay Bridge approach and terminal separator ramp seismic upgrades;
9. King Street surface roadway upgrades near I280 ramps;
10. Third Street Mission Creek bridge seismic upgrade;
11. Fourth Street Mission Creek bridge seismic upgrade;
12. Illinois Street repaving;
13. Cesar Chavez Street lane addition and signalization; and,
14. Terry Francois Boulevard restriping.

2. No Build/TSM Alternative

The No Build/TSM Alternative is identical to the No Project Alternative except that under the No Project Alternative the existing transportation system remains unchanged. The No Build/TSM alternative, however, incorporates an increased fleet to accommodate 2015 ridership demand and to compensate for increased travel times caused by increasing traffic delays. In addition, this alternative reflects the additional service hours in ridership and increased transit travel time due to anticipated congestion in the corridor. As such, 40 more busses are operational in this alternative.

B. Reasons for Approving the Light Rail Alternative (Project)

In approving the Project, the Commission has carefully considered the Project's attributes and environmental effects in comparison to the No Build/TSM and No Project alternatives discussed in the FEIR. These considerations, along with previous Commission decisions, reports from City staff and public testimony, has resulted in the Project. The Project, in the Commission's opinion, most closely achieves MUNI's goals and objectives, established during comprehensive transit planning for improvements in the Third Street corridor:

1. Transit mobility and accessibility would be improved. It would take 6 to 15 minutes less than busses to travel on the Project to Market Street from the Third Street Corridor. The Project route would serve a substantial number of low income households, thereby improving accessibility of service. The NCS component of the Project would dramatically increase ridership and provide the most expeditious ride.
2. The Project would create environmental benefits by reducing air pollution, and fossil fuel consumption. There would be vibration impacts from the light rail (IOS) segment and there would be potentially substantial impacts on cultural resources. However, the negative impacts are sufficiently mitigated to levels of insignificance.
3. The Project would be financially efficient in that it would provide faster and more reliable transit service without a loss in operating efficiency. Improved service would attract enough riders to generally offset higher operating costs.
4. The Project would support existing and future land uses in the Third Street corridor and general vicinity of the planned routes. The Project provides direct and expedient access to areas of the City that are or will in the near future experience economic revitalization. Such linkage with activity centers in the Third Street corridor and along the planned route brings potentially greater economic benefits to those activity centers and enhances the multiplier benefits that occur from such interaction.
5. The wide sidewalks and center medians provide tremendous opportunity for pedestrian and streetscape improvements.
6. The Project could result in a net increase of 130 spaces in and around the Third Street corridor thereby increasing auto accessibility to the commercial core.
7. Because the Project provides direct and expedient access to major activity centers (employment, recreational and cultural) in the City, it furthers a community responsive transit system.

C. Reasons for Rejecting the Alternatives

The No Build/TSM and No Project Alternatives are rejected as infeasible and undesirable for the following reasons.

1. These Alternatives would provide slower transit, serving fewer low income households because it would not have an exclusive right of way.
2. These Alternatives would not affects parks or cultural resources but would not contribute to the reduction of air pollution that the Project would.

3. These Alternatives would not provide the level or quality of service to the various activity centers along the Third Street corridor since it could not achieve the speed, reliability or frequencies of the Project.
4. These Alternatives would not increase travel times or net parking, both elements of an effort to contribute to the economic revitalization of the Third Street corridor. There would additionally be no pedestrian or streetscape improvements to enhance the commercial attractiveness of the Third Street corridor.

IV. Mitigation Measures

The findings in this section concern mitigation measures set forth in the FEIR. These findings fall into two (2) categories: 1. a recitation of mitigation measures adopted by the Commission exactly as proposed in the FEIR and which can be implemented by the Commission; and, 2. a recitation of mitigation measures proposed in the FEIR and recommended by the Commission for adoption and which are enforceable by City agencies other than the Commission, including but not limited to the Department of Parking and Traffic and the Department of Public Works. None of the mitigation measures is rejected.

For ease of reference, mitigation measures in these findings are organized by subject matter in the same order as the subjects appear in the FEIR. The reader may consult Tables S-5 and S-6 in the Summary Chapter of Volume I of the FEIR for additional reference. Also, for convenience, the specific impacts mitigated by the proposed mitigation are provided.

These findings support approval of the Light Rail project as the mode and design to service the Third Street Corridor, consistent with MUNI's long range goals and objectives. Any additional approval actions by the Commission may rely on and incorporate by reference these findings. This approval would accommodate the Project but would not in and of itself permit actual construction and operation of the proposed Light Rail facility. Those actions would occur as a result of approvals by several other City, state and federal agencies, in the form of permits, leases and other entitlements. These other decision makers may adopt additional conditions of approval pursuant to their own independent discretionary authority.

A. Mitigation Measures Adopted as Proposed

The following mitigation measures in the FEIR found by the Commission to mitigate, reduce or avoid significant environmental effects are hereby adopted and have been incorporated into the Project.

1. Transportation

a. Transit: No applicable measures
b. Traffic: No applicable measures
c. Trucks: No applicable measures
d. Railroad:

Construction of the intermodal station at the CalTrain Bayshore station will impede freight rail access to the spur track located south of Sunnydale Avenue. Abandonment or removal would impact about six rail customers and would correspondingly affect their relative businesses.

Significant impacts at this railroad crossing can be mitigated by redesigning the station so as to retain the existing spur track..

e. Parking: No applicable measures
f. Pedestrians:

Construction of the Moscone Center station will reduce sidewalk widths, resulting in overcrowded pedestrian conditions near station access points.

Significant impacts at the Moscone Center subway station can be mitigated by obtaining easements from the adjoining property owners. Additionally, during final design, consideration should be given to using narrower stairways and escalators and/or to permanently prohibit parking along the west side of Third Street between Mission and Market Streets, to maintain wider sidewalks.

g. Bicyclists:

Project implementation would make impossible dedication of a bicycle lane in the Third Street corridor, including travel along Third Street and Bayshore Boulevard.

Significant impacts resulting from the inability to dedicate bicycle lanes can be mitigated by permitting bicycles on all light rail vehicles traveling the Third Street corridor.

2 Non-Transportation Impacts

a. Land Use:

Project construction would make create many impediments and barriers to travel through and use of the Third Street corridor for shopping, recreation and business (e.g., temporary loss of parking).

Significant impacts resulting from temporary construction impacts can be mitigated by establishing public information programs, including signage along the Third Street corridor, notifying residents and merchants of pending activities. Additionally, all steps should be taken to ensure uninterrupted access to the corridor.

b. Acquisition and Displacement:

Project implementation will result in nine (9) property acquisitions, including four (4) business displacements. Specific displacements requiring relocation assistance are:

1. Bayshore Station – 2 businesses; (north of County line between Bayshore/Tunnel);
2. Line and traction power substation (Sunnydale/Bayshore);
3. Station (Third/Oakdale).

Significant impacts resulting from business displacement can be mitigated by complying with all federal and state statutory requirements for such actions.

c. Socioeconomic:

Project construction would result in dust and noise generation and vibration impacts, although of a temporary nature, of significant increases over baseline.

Significant dust, noise and vibration impacts can be mitigated by complying with all standard construction mitigation practices, such as dust and noise abatement (e.g., watering the site, erection of soundwalls); proper signage.

d. Community Facilities:

1. Construction of stations at Yerba Buena Gardens and Union Square would result in temporary dust, noise and vibration impacts.

Significant dust, noise and vibration impacts at Yerba Buena Gardens and Union Square can be mitigated by complying with all standard construction mitigation practices, such as dust and noise abatement (e.g., watering the site, erection of temporary soundwalls); proper signage for vehicles and pedestrians.

2. Construction would also result in limited or altered access to community facilities, such as Yerba Buena Gardens, the Bayview Opera House and Public Library.

Impacts from limited access to community facilities can be mitigated by temporary detours that are clearly identified and are part of the final designs.

e. Cultural Resources:

Project construction could have direct and indirect impacts on 53 properties listed in the National Register of Historic Places and 86 properties potentially eligible for such

listing along the subway alignment between Brannan and Post. Additionally two potential archaeological sites along Third/Fourth and Bryant/Mission could be disturbed.

1. Significant impacts to cultural resources resulting from station construction can be mitigated by including specifications for shoring cuts, and stabilization of slopes to prevent subsidence. Additionally, mitigation would include documentation under the Historic American Building Survey/Historic American Engineering Record. Additional mitigation measures would be developed in consultation with the State Historic Preservation Officer (SHPO).
2. Significant impacts to archaeological resources resulting from underground disturbance can be mitigated by conducting pre-construction subsurface investigation and performing avoidance or data retrieval through excavation and documentation. A draft Programmatic Agreement between MUNI, FTA, SHPO and the Advisory Council on Historic Preservation will be executed.

f. Visual and Aesthetic: No applicable measures

g. Utilities and Energy:

Subway construction would displace the North Point trunk sewer line, which crosses the alignment at Mission/Third.

Significant impacts to the North Point trunk line can be mitigated by either installing an underground siphon and pumping station or rerouting the sewer line along Fourth Street to Folsom Street, using tunneling construction procedures.

h. Geology, Soils and Seismicity:

Because the Project is located in a seismically active area, settlement can occur during construction that could heighten the likelihood of damage during a seismic event. Additionally, impacts can occur because Project operation exposes so many people to injury from seismic events.

1. Significant impacts due to settlement can be mitigated by requiring the contractor to dewater the tunnel during construction.
2. Significant impacts due to exposure to seismically caused injuries can be mitigated by requiring the contractor to submit site-specific earthquake preparedness and emergency response plans as part of bid packages.

i. Hydrology and Water Quality:

Project construction and operation would discharge sediments, chemicals and metals into storm drainage system.

Significant impacts to water treatment system can be mitigated by following Stormwater Prevention Practices and Procedures (SWPPP) Best Management Practices.

j Biology and Wetlands:

1. Project construction could result in lost or damaged trees. i

Significant impacts to trees can be mitigated by requiring replacement of each lost or damaged tree.

2. Project construction requires installation of underwater cables on the bottom of Mission and Islais Creeks. If installation occurs from December to March 1, Pacific herring spawn season can be impacted.

Significant impacts to Pacific herring spawn season can be mitigated by installing a silt curtain prior to trenching.

k. Hazardous Materials:

Project construction could result in contact with and exposure to hazardous materials. Project would include Phase II soil characterization to ascertain levels of contamination.

Significant impacts from exposure to hazardous materials can be mitigated by complying with the site mitigation procedures provided for in Public Works Code Article 20. For areas not covered by Article 20, similar soil analysis, reporting, safety prevention and disposal plans should be developed.

l. Air Quality:

Project construction of all phases and components would result in exhaust emissions from construction equipment and dust generation which cause construction-related PM_{10} levels to impair short term air quality.

Significant short term air quality impacts from construction-related PM_{10} levels can be mitigated by complying with applicable mitigation procedures provided for in Bay Area Air Quality Management District (BAAQMD) *CEQA Guidelines Assessing the Air Quality Impacts of Projects and Plans*, April, 1996. .

m. Noise and Vibration:

Project operation would result in long term vibration impacts at two (2) residential commercial buildings along the Jerrold/16th Street segment, at the northern end of 22nd Street, due to the crossover track located near these buildings.

Significant and site specific vibration impacts can be mitigated by the contractors' compliance with the San Francisco Noise Ordinance and by requiring specific noise control measures in the contract specifications, such as modification of the transit vehicle suspension system use of floating slab trackbed, installation of a vibration control track system, such as ballast masts, and relocating crossovers and other special trackwork away from sensitive receptors.

B Mitigation Measures Within the Jurisdiction of Other City Agencies

The Commission finds that certain mitigation measures as they appear in the FEIR fall within the jurisdiction of City agencies other than the Public Transit Commission and the Public Transit Department (MUNI). Unless otherwise indicated, the Commission believes that such measures can and should be carried out by the named agency at the appropriate time and should be adopted by said agency unless they are later determined to be infeasible. The mitigation measures appear to be feasible at this time, based upon preliminary cost estimates compiled by MUNI. The Secretary of the Commission is hereby directed to transmit copies of these measures to the affected City agency.

1. Transportation

a. Traffic:

i. Significant and Mitigable Project Specific Impacts

Level of Service (LOS). Intersections that experience levels of service (LOS), which measures the congestion of an intersection, of E or F cause significant environmental impacts. The following intersections will experience LOS E and F conditions during Project implementation.

1. Third/Evans; and,
2. Third/Bryant.

Significant impacts at these intersections can be mitigated by lane striping, parking removal, and or other measures designed and implemented by the Department of Parking and Traffic, Department of Public Works, and the Police Department.

ii. Significant and Mitigable Cumulative Significant Impacts

Level of Service (LOS). Intersections that experience levels of service (LOS), which measures the congestion of an intersection, of E or F cause significant environmental impacts. The following intersections will experience LOS E and F conditions during Project implementation.

1. Third/Cesar Chavez;
2. Third/King;
3. Fourth/King;
4. Third/Townsend;
5. Third/Brannan;
6. Fourth/Brannan; and,

7. Fourth/Bryant.
Significant impacts only at Third/Bryant and Fourth/Brannan can be mitigated by lane striping, parking removal, and or other measures designed and implemented by the Department of Parking and Traffic, Department of Public Works, and the Police Department.

b. Bicyclists:

i. Significant and Mitigable Project Specific Impacts

Project implementation would constrain dedication of a bicycle lane in the Third Street corridor, including travel along Third Street and Bayshore Boulevard.

Significant impacts resulting from the inability to dedicate bicycle lanes can be mitigated by restriping for bicycle lanes where on street parking is currently prohibited, such as portions of Third Street between Cargo Way and Cesar Chavez; improving and extending Bicycle Route 7; and, providing improved bicycle circulation south of San Bruno Avenue. These measures would be implemented by the Department of Parking and Traffic and the Department of Public Works.

c Transit: No applicable measures
d. Trucks: No applicable measures
e. Railroad: No applicable measures
f. Parking: No applicable measures
g. Pedestrians: No applicable measures

2 Non-Transportation Impacts

a. Land Use: No applicable measures
b. Acquisition and Displacement: No applicable measures
c. Socioeconomic: No applicable measures
d. Community Facilities: No applicable measures
e. Cultural Resources: No applicable measures
f. Visual and Aesthetic: No applicable measures
g. Utilities and Energy: No applicable measures
h. Geology, Soils, Seismicity: No applicable measures
i. Hydrology and Water Quality No applicable measures
j. Biology and Wetlands: No applicable measures
k. Hazardous Materials: No applicable measures
l. Air Quality: No applicable measures
m. Noise and Vibration: No applicable measures

V. Significant Environmental Impacts

Even after imposition of the mitigation measures described in Section IV herein, Project implementation will cause or contribute to some significant unavoidable impacts. The Project's significant unavoidable impacts are due to cumulative conditions.

A. Traffic

The Level of Service ("LOS") for some intersections affected by the Project would remain significant under cumulative 2015 conditions. Specific intersections that would sustain LOS of E or worse under cumulative conditions are:

1. Third/Cesar Chavez;
2. Third/King;
3. Fourth/King;
4. Fourth/Bryant;
5. Third/Townsend; and,
6. Third/Brannan.

B. Bicycles

Significant cumulative impacts resulting from development activity other than the Project and the Project preclude the dedication of bicycle lanes along Third Street and a portion of Bayshore Boulevard.

VI. Statement of Overriding Considerations

Notwithstanding the significant unavoidable impacts identified in Section V above, pursuant to CEQA Section 21081(b), the CEQA Guidelines, and Chapter 31, the Commission finds that specific overriding legal, social, technical, economic and other considerations, as set forth below and as provided in Section III.B above, outweigh the significant unavoidable effects on the environment.

1. The Project provides an alternative means of travel that is safe and environmentally clean, as compared to auto travel.
2. Residents and employees of the Third Street corridor have been traditionally underserved by City transit services. The Project eliminates the disparity in service and makes accessible a wide variety of employment, recreational and cultural experiences to those neighborhoods.
3. Implementation of the Project will concentrate economic activities in the southeastern quadrant of the City, by linking that area with the explosive development activity in the South of Market and Mission Bay.
4. A subway route is the most technically and financially feasible design choice even in a seismically unstable area, because subway operations decrease travel times, thereby increasing farebox recovery.
5. Transit routes linking up numerous subsectors of the City will enhance economic activities in and around the Third Street corridor, providing substantial new tax revenues to the City.
6. The Project will be constructed with the most updated, contemporary seismic and noise muffling technologies.
7. The Project substantially furthers the Four Corridors Plan, adopted by the Transportation Authority, and implements several General Plan and related plan policies adopted by the City and County of San Francisco.

PORT OF SAN FRANCISCO

MEMORANDUM

February 22, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Engineering Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

Engineering is currently managing numerous design and construction projects. Many of these projects involve infrastructure repairs to existing facilities, several involve design and construction of new marine/boating docking facilities, a breakwater, and a railroad bridge, and the remainder include sheparding the engineering department's drawing library into the digital age and updating the draft ADA transition plan for Port facilities.

The purpose of this report is to identify and provide an update on the status of the major projects underway, which are managed by the Engineering Department.

Major Engineering Projects

INFRASTRUCTURE REPAIRS TO EXISTING FACILITIES

Staff is currently managing ten projects in this category. Projects are both in the design and construction phases. Projects include the Wharf J-10 Emergency, China Basin Shoreline Stabilization, Fisherman's Wharf Seawall Repair, Maintenance Dredging (at various pier locations), Pier 1-1/2 to 5 Marginal Wharf Repair Phase I, Pier 48 Seismic Upgrade, Pier 34 Demolition, Pier 43 Arch Restoration, Pier Substructure Repairs (of various piers), and Pier Condition Surveys (of various piers).

THIS PRINT COVERS CALENDAR ITEM NO. 5A

The total estimated construction cost of these projects is approximately $23,000,000. The Port has not yet secured all the funding required to execute the construction of all these projects, specifically the Wharf J-10 Emergency, Pier 48 Seismic Upgrade, and the Pier Substructure Repairs projects.

NEW FACILITIES

Staff is currently managing seven major new-facility projects including the Downtown Ferry Terminal, Illinois St. Bridge, China Basin Ferry Terminal, Hyde Street Harbor Waterside and Landside Projects, Pier 52/54 Public Boat Launch, and Pier 50 Office Improvements. The bridge, public boat launch, and Pier 50 projects are in the design phase, the remaining projects are in the construction phase. The total construction value of these projects is approximately $38,000,000. The Port needs to secure additional construction funding for the Illinois St. Bridge.

MISCELLANEOUS PROJECTS

Staff is currently managing the rasterization of all the engineering drawing library. Staff is also updating the draft ADA transition plan for Port facilities.

In order to understand the full scope of Port projects currently in process, it is important to review the attached individual engineering project status reports.

Prepared by: Nita Mizushima, Acting Chief Harbor Engineer

AMERICANS WITH DISABILITIES ACT TRANSITION PLAN

PROJECT MANAGER	Kevin Jensen
PROJECT DESCRIPTION	Port of San Francisco's Accessibility Transition Plan (draft). This Plan is mandated by the Mayor's Office on Disability for all city departments. The Plan describes a prioritized list of capital projects that are intended to remove barriers to accessibility to disabled persons using Port facilities.
STATUS	The Port's draft transition plan was started in 1992 and was last updated in 1997. The plan requires updating, due in part to current and anticipated development projects as well as changes in the lease status of several facilities. There are a number of facilities that were not originally surveyed to ascertain their transition plan status. These facilities will be surveyed and included in the plan as required.
APPROVALS	Port staff will be updating and expanding the current draft transition plan in the year 2001. The current draft plan is on file with the Mayor's Office on Disability as part of the overall City Transition Plan.
PROJECT COST	Total costs will be estimated once the plan is updated. Funds for this work are included in the proposed capital plan amendment for 2001 – 2002.
CONSULTANT	None.
SCHEDULE MILESTONES	Overall schedule for update of the ADA Transition Plan is currently being developed.

CHINA BASIN FERRY TERMINAL

PROJECT MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	This facility will provide commuter access to San Francisco's China Basin and South of Market areas as well as service to Pacific Bell Ballpark on game days. The project includes the construction of a concrete platform, gangways, and floats to provide for the simultaneous loading and unloading of two ferry boats.
STATUS	The terminal commenced operation in time for Opening Day of the 2000 baseball season at Pacific Bell Park and provided ferry service to the ballpark for the duration of the baseball season. One of the floats was recently removed from service in order to complete its construction and perform some repairs. It will be returned to service in time for the start of the 2001 baseball season.
PROJECT COST	The total project cost is $3,070,668, including a 10% contingency and is funded by a $2,000,000 federal grant and Port funds.
APPROVALS	Final Acceptance of the project upon completion.
CONTRACTOR	Vortex Diving Inc.
SCHEDULE MILESTONES	April 30, 2001 Final completion of both floats

CHINA BASIN SHORELINE STABILIZATION

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	This project provides slope stabilization for the southern shoreline of China Basin in order to provide a permanent wateredge that the Giant's can use to create a public access park as required by their BCDC permit. This shoreline stabilization project requires placement of approximately 4,400 cubic yards of riprap to the south China Basin shoreline from Third Street to Pier 48.
STATUS	Soil borings and a dynamic soil-seismic analysis were performed by Olivia Chen Consultants for the project. The results indicated that the shoreline is stable, however minor lateral spreading is expected during earthquake. This information was given to the Giants for the development of the park. The construction contract documents are 95% complete. We have received additional input from Giants' park design team. Port's staff and its consultant are working to incorporate the appropriate modifications into the project.
APPROVALS	Port staff will submit permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board within the next few weeks.
PROJECT COST	Total project cost is estimated to be $394,261. The Port has a Capital fund of $592,200.
CONSULTANT	Olivia Chen Consultants.
SCHEDULE MILESTONES	March 2001 Construction begins May 2001 Construction completed

DOWNTOWN FERRY TERMINAL

PROJECT MANAGER	Nieret Mizushima
DESCRIPTION	The Downtown Ferry Terminal project, funded with a combination Federal, State and Port resources, consists of two new world class ferry terminals, a protective breakwater, public access improvements, and improved signage. The new and renovated facilities will solve a number of challenges associated with scheduling arrivals and departures of numerous ferry operators, as well as provide increased opportunities for additional ferry runs or new ferry routes. Ferry operators currently using the facility and slated to share in the new facility include Blue and Gold Fleet, Red and White Fleet, Alameda-Oakland Ferry, and Harbor Bay Ferry.
STATUS	The Commission authorized the award of the east promenade Phases I and II in Dec. 2000. The work for phase I is currently underway. The start of phase II hinges upon the building being vacated, the boiler room being decommissioned and final costs negotiation and fund availability. The project completion is anticipated in July 2001 with the new terminals open by May.
APPROVALS	No further approvals anticipated.
PROJECT COST	The current construction costs for this project are $16.5 million. Project is funded with a combination of federal, state and Port capital funds.
CONTRACTOR	Miller/Thompson Constructors – The construction firm is a woman-owned disadvantaged business enterprise (DBE) and successfully met the Federal DBE contracting goals.

SCHEDULE MILESTONES

January 2000	Issue Notice to Proceed (completed)
April 2001	Open new South Terminal
May 2000	Open new North Terminal, Remove Pier ½ Float
July 2001	Construction complete

FISHERMAN'S WHARF SEAWALL REPAIR

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Repair for deteriorated section of seawall per Declaration dated July 30, 1998. Tasks include performing a condition survey of the seawall (approximately 50' in length), designing a repair scheme and executing repair construction.
STATUS	Project design is complete. Staff is currently preparing Project Manual. Construction bidding will follow shortly.
APPROVALS	With respect to BCDC submittal, Port Planning considers project 'maintenance.'
PROJECT COST	Estimated cost of project is $300,000. Port capital fund contribution is over $300,000.
CONSULTANT	Olivia Chen Consultants
SCHEDULE MILESTONES	**SUMMER, 2001** **ADVERTISE FOR CONSTRUCTION** Fall, 2001 Construction Commences Spring, 2002 Construction Complete

HYDE STREET HARBOR IMPROVEMENTS PROJECT

PROJECT MANAGER

Mojgan Yousefkhan

PROJECT DESCRIPTION

The Hyde Street Harbor project has been divided into two distinct construction projects: the Hyde Street Harbor Waterside Improvements Project and the Hyde Street Harbor Landside Improvements Project.

The main waterside project components include: Harbor consisting of a 60 berth fishing facility, accessible gangway and floating walkways, and sewer, bilge and electrical utilities.

The main landside project components include: new utilities along Hyde Alley, including a new asphalt paved surface, partial demolition of the 490 Jefferson building to accommodate a new 24 car parking lot, new parking lot at the North end of Hyde Alley to accommodate 21 parking stalls, new bathroom, utility and storage facility located within the existing blue shed building on Hyde Alley, public and disability access from Jefferson Street to the public access area at the North end of Hyde Alley.

STATUS

Waterside:
The construction of the waterside project was successfully completed last December. Currently contractor is working on the punch list items and some of the change order work. The anticipated total construction cost of waterside project is about $2.4 million, which is a saving of $170,000 to the Port.

Landside:
Construction of the Landside project is 95% complete. In January 2001, the Port Commission approved a contract modification of $275,000 to the existing construction contract with Proven Management Inc. to complete the project. As a result of this contract modification, Port will benefit from a substantial cost saving, achieve a maintainable, safe and functional facility in compliance with all applicable codes and regulations.

PROJECT COST

Waterside:

$2,400,000 (Actual Cost)

Landside:

$2,310,571 (representing the base and alternative work items plus a 10% contingency)

CONTRACTOR

Waterside:

Peak Engineering Inc – The firm is a certified MBE and LBE contractor and successfully met the MBE and WBE contracting goals.

Landside :

Proven Management Inc- The firm is a certified MBE and LBE contractor and successfully met the MBE and WBE contracting goals.

SCHEDULE MILESTONES

March, 2001	Completion of construction
May, 2001	projected starting date of operation
June, 2001	Grand opening ceremony

ILLINOIS STREET BRIDGE

PROJECT MANAGER	Nieret Mizushima
PROJECT DESCRIPTION	A new bridge will be constructed across Islais Creek at Illinois Street. The bridge will be used by freight trains serving Pier 80 from the ICTF as well as local truck traffic. The bridge will significantly reduce rail distance from both the main line (from present 3.3 miles to 0.66 miles) as well as between the North and South Cargo Terminals (from 4 miles to 0.2 miles). Completion of this bridge will allow the freight rail service tracks to be eliminated in the Mission Bay Development area and will also result in fewer interface points between the future 3rd Street Light Rail and the freight rail. The bridge is proposed to be a lift-segment moveable type rather than a fixed type in order to accommodate occasional dredging and maintenance vessels in the Islais Creek waterway.
STATUS	A consultant is currently completing a type selection study to confirm the most appropriate and cost effective moveable bridge type for the area and uses. They will also be completing the preliminary design and cost estimate within the next quarter. As an accelerated completion of the project will substantially benefit the multi-phased Mission Bay Development and the 3rd Street Light Rail projects, Port staff are working with Catellus and MUNI to coordinate the projects. The environmental review is underway as part of the Southern Waterfront Supplemental Environmental Impact Report (SWSEIR) and is anticipated to be published in draft form by the fall of 2000 with certification in early 2001.
PROJECT COST	The previous cost for the project is estimated at $7.1 million, however, this estimate will be updated with the completed preliminary design. Secured funding for the bridge includes a $4 million grant in STIP funds and a $2.5 million contribution from Catellus. Additional funding will likely be required, but will be confirmed in the consultant cost estimate.
CONSULTANT	URS

SCHEDULE MILESTONES

July 2000	Preliminary design and cost estimate.
August 2000	Submit permits
November 2000	Begin Final Design
December 2001	Complete Design and Advertise Construction
June 2002	Start Construction
June 2003	Construction Complete

MAINTENANCE DREDGING

PROJECT MANAGER	Ed Byrne
PROJECT ENGINEER	Ken Chu
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	Dutra Dredging Company is currently completing the work under the existing 1999-2000 Maintenance Dredging Contract No. 2662. A new Maintenance Dredging contract for 2001 and 2002 is now in preparation. Several sites will be included in this new dredging contract. These sites include: Pier 35 East and West berths, Pier 80, Pier 92, Pier 27, Pier 94/96 and Fisherman's Wharf Inner Harbor.
STATUS	Dredging under the new Maintenance Dredging Contract will begin at Fisherman's Wharf Harbor in August 2001.
APPROVALS	Port staff submits permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board for each dredging site for each dredging episode. Obtaining these permits and authorization to proceed in a timely fashion from these agencies for the dredging to occur on schedule has been a considerable challenge to Port Staff.
PROJECT COST	Dredging cost for the Summer/Fall of 2001 is currently estimated to be $2.5 million.
CONSULTANT	None
SCHEDULE MILESTONES	Summer/Fall 2001: Continue maintenance dredging at Pier 35 East, Pier 94/96 and the Fisherman's Wharf Harbor.

PIER 1-1/2 TO 5 MARGINAL WHARF REPAIR, PHASE I

PROJECT ENGINEER	Ed Byrne
CONSTRUCTION MANAGER	Lloyd Soohoo, Camp Dresser & McKee
DESCRIPTION	The Phase I work is limited to the repair of the first bay of marginal wharf adjacent to the seawall from Pier 1 ½ to the south wall of the Pier 5 bulkhead. Through two change orders, the scope of repair work was expanded to include the full three bays of depth at Pier 3. The scope was expanded to maintain required public access through the Pier 3 breezeway to the ferryboat *Santa Rosa*. The remainder of the marginal wharf repair will be done as part of a development project(s). The base bid of the Phase I Section of Marginal Wharf supports the Mid-Embarcadero improvements and requires repair prior to completion of the promenade. Under a MOU with DPW, $738,871 will be funded from the Mid-Embarcadero Project for the marginal wharf repair work. Port will fund any additional repair costs above this amount and the architectural aspects of the work. In addition to the marginal wharf repair, the work will include completion of the narrow strip of promenade left undone by the Mid-Embarcadero Project, shoring of the building columns during the repair work on the substructure, and architectural repair of the penetrations through the building façade for the column shoring. The condition of concrete deck, beams, girders, piles, and pile caps is significantly worse than anticipated by the construction documents. Accordingly, we have requested the structural engineer to revise the details and address the extent or nature of repair required to return the piers to a satisfactory condition. In the interim, the contractor has been ordered to stop work until the details have been revised. The contractor will then provide an estimate for the new work.
STATUS	Project is on hold pending detail revision by Structus.
PROJECT COST	$1,685,466 (CONSTRUCTION COST ESTIMATE PHASE I INCLUDING CHANGE ORDERS 1 AND 2)
CONSULTANT	Structus Consulting Engineers
SCHEDULE MILESTONES	Construction Resumes: March 2001 Construction Complete: August 2001

PIER 48 SEISMIC UPGRADE

PROJECT MANAGER	Ed Byrne
PROJECT DESCRIPTION	The Port's Chief Building Official has determined that the November 1996 fire at Pier 48 destroyed a sufficient amount of the pier shed's structural components to trigger a San Francisco Building Code requirement for a seismic upgrade to the facility. Seismically upgrading this pier would include additional substructure piling and reinforcement designed specifically to resist earthquake loads as prescribed by Code requirements. The shed will also require seismic bracing and reinforcement.
STATUS	The insurance carriers are disputing the Port's position that a seismic upgrade is required. The carriers' believe that the sustained shed damage was less than the code prescribed limits and therefore an upgrade is not required. Potentially this dispute could result in a court case to resolve the required code application.
APPROVALS	BCDC permits classifying this work as maintenance have been received for this work. The permitting will need to be reviewed prior to construction.
PROJECT COST	Cost estimates for this work vary from $6.0 million to $8.5 million depending on the type of seismic bracing system installed.
CONSULTANT	Structus & GKO
SCHEDULE MILESTONES	TBD

PIER 34 DEMOLITION

PROJECT ENGINEER	Ed Byrne
CONSTRUCTION MANAGER	Leo Bragagnolo
PROJECT DESCRIPTION	Demolish and dispose of Pier 34.
STATUS	Project is currently out for demolition bid. Bids are due February 20.
PROJECT COST	Project cost is advertised as $1.2MM.
SERVICE PROVIDER	Port Engineering developed the construction bid documents.
SCHEDULE MILESTONES	Bids Due 20 Feb 01 Award April 01 **NTP JUNE 01** Complete September 01

PIER 43 ARCH RESTORATION

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. The arch restoration follows the emergency disassembly and shoring contract that is now complete. The arch restoration will be a competitively bid and will include the repair and restoration of the arch to its pre-fire condition, seismic upgrade and required structural repairs. Insurance proceeds will fund the fire damage repair work and the Port will fund the required structural repairs. The counterweights will be removed to reduce the earthquake loads acting on the structure.
STATUS	The design for the repair work and seismic retrofit work is complete. The Project Manual is currently being reviewed by the City Attorney's office. The Port's insurance company has agreed to fund the fire repair work which is the base bid work. Port capital funding will fund the seismic upgrade, structural repairs and removal of the counterweights to the extent that funds are available. These items will be bid as alternate bid items.
PROJECT COST	$1.1 million cost estimate depending on extent of required restoration. This estimate includes the cost of executing the base bid work and all of the alternate bid items.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Advertise Contract: Spring, 2001 Award Contract: Summer, 2001 Construction Start: Summer, 2001 Construction Complete: Spring, 2002

PIER 52/54 PUBLIC BOAT LAUNCH

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	The total project scope for the new Pier 52/54 Public Boat Launch includes a new pile-supported double lane boat launch ramp, two boarding floats, a disability access gangway and guest dock, a 40 space vehicle/boat trailer parking lot, and roadway and landscaping improvements throughout the Pier 52/54 site. In addition, outdoor public access and landscaping will be improved from its current condition. Talking signs will be installed to assist the visually impaired.
STATUS	Bids were opened in December 1998. The lowest responsive bid was much more than available funding. Therefore, the project scope was reduced to include only the public boat launch, parking lot and undergrounding the electrical overhead lines. The revised contract documents were completed in October 1999. When the project was ready to bid, Catellus re-sequenced its development plans for Mission Bay. The Catellus revised plans changed the Terry Francois Blvd alignment and impacted the Pier 52/54 Parking Lot design. The realignment of TFB requires repositioning and re-design of the Parking lot, changes to the boat launch and the addition of a Bayside Walk. The Port has received an additional $1.023 million funding from Department of Boating and Waterways, State of California.
APPROVALS	The Maher Ordinance study has been completed in June 1999.
PROJECT COST	The total funding available for this project is $1.4 million
CONSULTANT	ARCUS Architecture & Planning.
SCHEDULE MILESTONES	Amend Arcus agreement for engineering services – April 2001 Detailed Engineering - April to July 2001 Construction Bid and Award – August to October 2001 Construction – November 2001 to July 2002

PIER CONDITION SURVEYS

PROJECT ENGINEER	Ed Byrne
PROJECT DESCRIPTION	Perform condition surveys of selected Port piers, buildings and other facilities to develop a comprehensive understanding of the condition of these facilities. This information will be used for lease negotiations, development negotiations and estimating costs for capital projects. The Port facilities included in this survey are: Piers 70, 30-32, 26-28, 2, ½, 1, 3, 9, 15-17, 19-23, 27-29, 29 ½ -31, 35, 41, 43 ½ and 45. Programming for condition surveys for the remaining Port facilities is currently in preparation. Staff is currently reviewing the possibility of linking the condition surveys to the Port's Deferred Maintenance Management System Development.
STATUS	Completed condition surveys on Piers 27-29, Pier 31, and Fisherman's Wharf Outer Harbor. Currently performing the condition survey for the Ag Building through Structus.
PROJECT COST	Funding remaining for the additional surveys is $111,600, and additional funding is proposed in the 2001/2002 Capital Plan Development.
CONSULTANT	Structus Inc. and other consultants as required.
SCHEDULE MILESTONES	Ag Building survey to be completed in March 2001. Schedule for the overall Port facility condition surveys is being developed.

PIER SUBSTRUCTURE REPAIRS

PROJECT ENGINEER	Ed Byrne
Construction	Port Maintenance
PROJECT DESCRIPTION	Repair of deteriorated pier substructures as required to support Port operations and new business opportunities. These repairs will be made to pier aprons, pilings, beams, girders and slabs as determined by condition surveys. Port facilities included in this capital project are: partial Pier 38 concrete substructure repair (total repair cost estimated at $3.35MM), partial repair of the Pier 38 apron (total repair cost estimated at $951M), and additional repairs to be determined for Piers 35, Pier 19, and the Ferry Plaza. Repairs are needed to continue the use of these facilities.
STATUS	Work is currently being performed on Pier 38 North apron.
PROJECT COST	Funding is currently from the Port's Operating Budget, a new Capital Project has been requested for $3MM.
SERVICE PROVIDER	Port Engineering and Maintenance.
SCHEDULE MILESTONES	Finish work on the Pier 38 north apron by April 2001.

PIER 50 OFFICE IMPROVEMENTS

PROJECT MANAGER	Kevin Jensen
PROJECT DESCRIPTION	A capital improvement project to complete the improvements to Pier 50 Shed D Maintenance Department. Work includes a new limited-use limited-access (LULA) passenger elevator serving the second floor offices, as well as accessibility improvements to restrooms on the first and second floors in the office area.
STATUS	Port Engineering Department staff has prepared working drawings and specifications to 85% completion, and will be issuing the documents to the Port's maintenance department midyear. Construction is expected to take approximately 6 months. Work is anticipated to be completed with a combination of Port Maintenance staff and competitive bidding contractor.
PROJECT COST	The project is funded by $557,059 in New Maintenance Facility Loan funds.
CONSULTANT	None.
SCHEDULE MILESTONES	3rd Qtr., 2001 Issue working drawings and specifications to Maintenance Department for construction. 1st Qtr., 2001 Begin Construction 3rd Qtr., 2002 End Construction

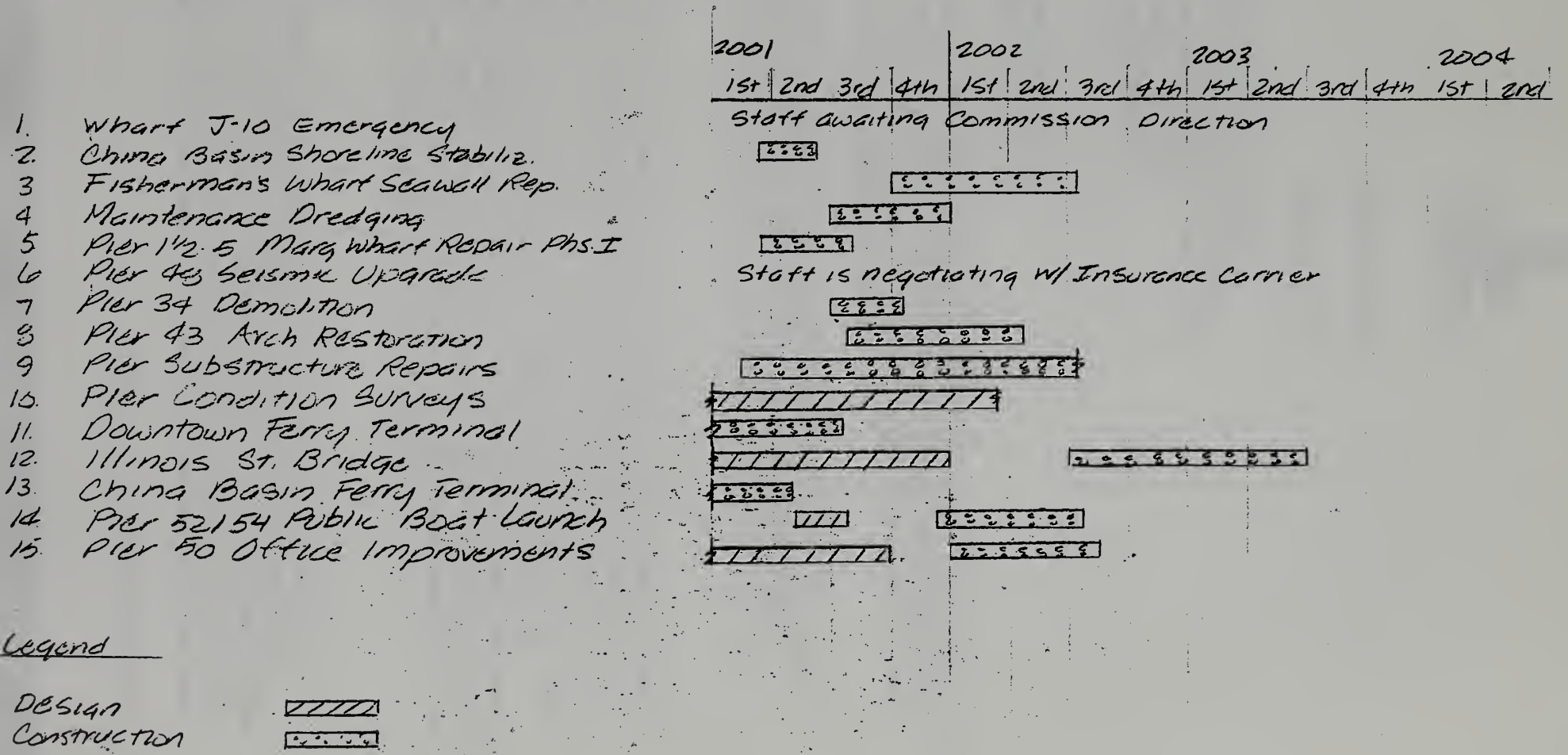
RASTERIZING ENGINEERING DRAWINGS

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	Convert existing engineering drawings into electronic format. This project includes the training of Port Staff in the use of software used for drawing retrieval, viewing, editing, and reproduction. Converting the existing drawings to electronic format enables Port staff to view the drawings on their computers, and eliminates the need to transfer drawings from their current location to the Port's new office in Pier 1.
STATUS	Purchase Order was advertised in August 1999. RPM Imaging was the successful bidder for this project. First drawing shipment was sent to RPM in October 99. We have sent approximately 7200 drawings to RPM for conversion. About 7100 digitized drawing can now be reviewed from the Port's drawing database. A public viewing station was set up for public retrieval.
PROJECT COST	Total engineers estimate is $150,000.
SERVICE PROVIDER	RPM Imaging.
SCHEDULE MILESTONES	September 13, 1999, Purchase Order was approved by City's Purchase Office. September 2001, drawing conversion completed. December 2001, drawing digitizing completed

WHARF J-10 EMERGENCY

PROJECT ENGINEER	Ed Byrne
PROJECT DESCRIPTION	On Wednesday, August 16, 2000, Port staff conducted a review of the substructure portion of Wharf J-10 in the Fisherman's Wharf area, which indicated serious deterioration. The Port's engineering staff recommended vacating the building on Wharf J-10 and studying alternatives to the demolition of the entire structure. For structural engineering services, the Port contracted with Structus under the emergency declaration to: 1) Develop a plan and cost estimate to shore up Wharf J-10 and keep it standing on an unoccupied basis. The consultant cost for this work is $21,600. 2) Develop a plan and cost estimate to repair and rebuild the existing Wharf J-10 to comply with current codes. 3) Develop a plan and cost estimate to completely replicate Wharf J-10 as a new fish processing facility built to current code 4) Develop a plan and cost estimate to completely rebuild Wharf J-10 as a new fish processing facility built to current code 5) Develop other alternatives as directed by the Port. With regard to evaluating the historic significance and uses of the wharf, the Port is currently working with Maxwell & Associates, a historic preservation consultant, to assess the building for historic preservation, future development and prepare an EIR. The EIR will be started in March.
STATUS	Structus has completed the preliminary evaluation of alternatives and this report was presented to the Port Commission in January 2001.
PROJECT COST	Total engineers estimate is from $750,000 to 9.0 MM, depending upon alternative choice.
CONSULTANT	Structus Inc.
SCHEDULE MILESTONES	Project is currently on HOLD while EIR is prepared.

ENGINEERING PROJECT SCHEDULES (Feb 27, 2001)


2001
2002
2003
2004
1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd
Staff awaiting Commission Direction
Staff is negotiating w/ Insurance Carrier
1. Wharf J-10 Emergency
2. China Basin Shoreline Stabiliz.
3 Fisherman's Wharf Seawall Rep.
4 Maintenance Dredging
5 Pier 1½-5 Marg Wharf Repair Phs I
6 Pier 45 Seismic Upgrade
7 Pier 34 Demolition
8 Pier 43 Arch Restoration
9 Pier Substructure Repairs
10. Pier Condition Surveys
11. Downtown Ferry Terminal
12. Illinois St. Bridge
13. China Basin Ferry Terminal
14 Pier 52/54 Public Boat Launch
15. Pier 50 Office Improvements
Legend
Design
Construction

PORT OF SAN FRANCISCO

MEMORANDUM

February 22, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Request for authorization to execute First Amendment to Professional Services Contract No. CT3980009, DOWNTOWN FERRY TERMINAL, with San Francisco Port Management Consultants for additional construction support work and project management assistance.

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO EXECUTE A FIRST AMENDMENT TO CONTRACT NO. CT3980009 WITH SAN FRANCISCO PORT MANAGEMENT CONSULTANTS FOR A NOT-TO-EXCEED SUM OF $223,731.00.

Introduction

Port staff requests that the Commission approve a first amendment to the existing professional services contract with San Francisco Port Management Consultants (a joint venture of The Jefferson Company and RUST), the construction management consultant for the Downtown Ferry Terminal Project (DFT), also known as the San Francisco Ferry Terminal. This contract amendment is necessary for the extended construction schedule, to support additional construction scope items (including the breakwater, the second float and the east promenade), to provide special coatings inspections, and to provide project management assistance to Port staff. Through the contract amendment, Port staff will obtain necessary and critical support services to complete the construction of the Downtown Ferry Terminal Project.

Background

In July 1998, the Port selected and contracted with the San Francisco Port Management Consultants (Consultant) for construction management services on the Downtown Ferry Terminal Project. The Consultant's scope consisted of two phases. Phase I consisted of pre-construction services including providing partnering assistance, constructability analysis and value engineering, schedule refinement, construction cost review, bid document review and a

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public outreach planning. Phase II services consisted of construction management services including construction administration, inspections and quality control, cost and schedule monitoring, construction coordination, claims management, payment and change order processing and document control. The original contract was awarded for a not-to-exceed amount of $522,527 ($113,960 for Phase I and $408,567 for Phase II).

As discussed below, changes in the construction scope and schedule have created the need for additional services from the Consultant.

Staff has negotiated with the Consultant for a not-to-exceed price of $223,731 to complete the additional tasks contemplated by the contract amendment. With the approval of this contract amendment, the total construction management services cost will be $746,258 representing 5.3 percent of the estimated construction cost.

Scope of Proposed Consultant Contract Amendment

The construction contract for the ferry terminal is currently underway with an anticipated completion date of July 2001. There are several significant changes in circumstances that warrant the need for additional services of the Consultant:

- Bid Package Scope and Document Review: In December 1998, the Commission authorized the advertisement of the construction project. Subsequently, the Port finalized its selection of the Ferry Building Developer, Wilson Cornerstone, and the Ferry Building Renovation Project ensued. At that time, the DFT scope was reviewed and revised with the assistance of the Consultant to ensure coordination and minimize conflict between the two projects. This assistance provided by the Consultant was not originally part of their scope. Amendment of the contract was postponed until today in the hopes that the costs could be absorbed in the total project budget. The most recent projections of the project costs require an amendment to the Consultant's contract

- Extended Project Duration: Several items added to the construction contract which have extended the construction schedule for the Downtown Ferry Terminal Project. Major items added to the construction contract include the breakwater, the north terminal float, and the east promenade. These new items extended the project schedule by approximately 6 months. Port staff estimates the need for construction management services by the Consultant through August 2001 in order to complete the Downtown Ferry Terminal Project.

- Special Inspection: Inspection of coatings is required to ensure that coatings utilized in the fabrication of the floats and gangways are provided and completed in accordance with the contract requirements. These services were not available from the current special inspections consultant who had been contracted separately. Thus, the coatings inspection scope was added to the SFPMC contract.

- Project Management Assistance: Further project management assistance is required to ensure that the project is proceeding in accordance with the project requirements (including budget and schedule) and that project issues are resolved as expeditiously as possible to minimize the potential for project delays.

Summary

Based on the need for these additional services to complete this time-critical project, Port staff recommends that the Commission authorize the proposed first amendment to the existing contract with San Francisco Port Management Consultants. This will enable the Port to efficiently complete the Downtown Ferry Terminal construction project.

Prepared by: Nita Mizushima, Project Manager and Acting Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-14

WHEREAS, In July 1998, the Port Commission authorized staff to contract with San Francisco Port Management Consultants (Consultant) for construction management services for the Downtown Ferry Terminal Project; and

WHEREAS, In January 2000, following a competitive bid process, the Port commenced construction of the Downtown Ferry Terminal Project and since that time, significant changes in the Project schedule and circumstances have arisen, including, coordination with the Ferry Building Renovation Project, scope changes related to the east promenade of the ferry building, the new breakwater, the north float, and changes in special inspections; and

WHEREAS, These changes in the project scope and extension of the construction schedule necessitate the additional construction management services for timely completion of the project; and

WHEREAS, Port staff has negotiated a not-to-exceed price of $223,731 to complete the additional tasks required from the Consultant for timely project completion; and

WHEREAS, The construction management services and project management assistance which are the subject of the proposed contract amendment are needed for the satisfactory and timely completion of the Downtown Ferry Terminal Project; now therefore, be it

RESOLVED, That the Port Commission hereby authorizes staff to execute the First Amendment to Contract No. CT3980009 with San Francisco Port Management Consultants for the not-to-exceed sum of $223,731, for those services described in the staff report accompanying this resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 27, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

February 22, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

Most of the Port's property consists of former public tidelands, which are held in public trust for the people of California. As trustee since 1969 pursuant to the Burton Act, the Port Commission is responsible for managing this property on a self-supporting basis to promote navigation, fisheries, maritime commerce, protect natural resources and develop recreational uses that attract people to enjoy the Bay and waterfront. The Commission's land use policies for all property under its jurisdiction are contained in the Waterfront Land Use Plan and its Waterfront Design & Access element ("Waterfront Plan"), approved in 1997, as amended. The Port has been working on a number of projects to implement this Plan. These include additional specific planning projects within sub-areas of the waterfront, as well as commercial development, maritime and open space / public access projects. The purpose of this report is to identify and provide an update on the status of the major projects underway, which are managed by the Planning & Development Division.

THIS PRINT COVERS CALENDAR ITEM NO. 6A

MAJOR PLANNING PROJECTS

BCDC and Port Coordination

On July 20, 2000, the San Francisco Bay Conservation and Development Commission (BCDC) and Port Commission unanimously approved amendments to BCDC and Port plans for the San Francisco waterfront. This historic achievement was the result of four years of coordinated planning by BCDC, the Port, Save San Francisco Bay Association, the San Francisco Planning Department, and the waterfront community. As a result, BCDC and Port plans now share objectives for creating major new public plazas, open water basins and public access improvements while providing more flexibility to carry out projects consistent with the Public Trust Doctrine for Port property located between Pier 35 and China Basin.

The amended BCDC and Port plans set forth a funding and implementation schedule to realize the removal of specified piers to create open water basins, and to develop two new plazas in the Northeast Waterfront subarea (the Northeast Wharf Plaza) and in the South Beach Waterfront subarea (the Brannan Street Wharf). The first implementation project is the removal of Pier 34, a dilapidated pier next to the proposed Bryant Street Pier and cruise terminal project at Pier 30-32. The Port initiated the construction bid process for this work in December 2000, and removal of Pier 34 is expected to be completed by July 2001.

The removal of Pier 34 will open up a portion of the future site of the Brannan Street Wharf Plaza. To ensure a high quality of design for this new public plaza, the Port and BCDC are proceeding with a community planning process to develop a conceptual design. The Port received a $100,000 grant from the California Coastal Conservancy to supplement $50,000 in Port funds to fund this community design project. The Port, BCDC and Coastal Conservancy will be interviewing design consultant teams to assist this effort. During the spring, the Port and BCDC also will be setting up a community advisory committee to ensure that the community design process incorporates local, citywide and regional needs, with ongoing coordination with the San Francisco Redevelopment Agency, Planning Department, and Recreation and Park Department.

Historic Preservation Planning

The Port's Waterfront Plan includes policies to preserve Port historic resources. As described in further detail later in this report, the Port has completed or is currently undertaking several important historic restoration projects: Pier 1 restoration; Ferry Building restoration; Pier 1½ - 3 - 5 restoration; Pier 43 Ferry Arch restoration; Pier 45 Shed A restoration; Piers 29-31 restoration; and the Pier 70 Development Opportunity Site, which includes restoration of the historic Union Iron Works buildings.

Last year, the Port worked with historic preservation consultants and experts to gather and review the numerous surveys that have been completed for waterfront historic resources. This led to the Commission's approval of Resolution 00-16 on February 22, 2000, directing Port staff to prepare the materials necessary to nominate to the National Register of Historic Places a Northern Waterfront Maritime Historic District, located between Pier 45 and China Basin. The completion of this work was coordinated with the BCDC/Port/Save the Bay joint planning process to produce the BCDC plan amendments described above. Staff work to

prepare the Northern Waterfront Maritime Historic District nomination is currently underway, and will be carried out with review by, and coordination with San Francisco Architectural Heritage and the historic preservation community. The target date for producing a draft National Register historic district nomination is Summer 2001.

Southern Waterfront Planning

At the direction of the Port Commission, the Southern Waterfront Advisory Committee (SWAC) was established to provide regular communication between the Port and the Southern Waterfront community. The SWAC, made up of representatives of neighborhood, maritime, environmental and labor interests, meets monthly and provides input and recommendations on land use, planning and environmental issues affecting generally that portion of the Southern Waterfront from Pier 80 to India Basin.

The Port has received several lease proposals for Pier 80, and Piers 90 through 96 in the Southern Waterfront. Many are for maritime industrial or other industrial activities north and south of Islais Creek. In addition, the Port is proposing projects to improve Port maritime operations, including the Illinois Street rail bridge between the Port's North and South cargo terminals. A number of these proposed uses (e.g. concrete-batching plants, crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview/Hunter's Point neighborhood.
The proposed projects have been evaluated in a Final Supplemental EIR (SEIR) to the Waterfront Plan EIR, which was certified by the Planning Commission on February 15, 2001. The SEIR includes a series of mitigation measures, which will be reviewed and incorporated, as relevant, in any proposed leases considered for approval by the Port Commission. In addition, the Port is committed to working with environmental organizations to develop a stormwater management plan tailored to the types of industrial uses that may be considered for approval in the area. Any proposed leases will be presented to the SWAC for review, comment and recommendation prior to being considered by the Port Commission for approval.

In addition to evaluating current lease proposals, the Port is working with the SWAC and interested community to conduct further development planning for land located upland of the Port's marine terminals, the "Pier 90-94 Backlands". This effort will begin with a maritime industrial study, currently being developed for the Port's Maritime Division by a team of maritime, planning and economic consultants, to identify maritime market trends and facility needs in the Southern Waterfront. The study will shed light on the degree to which the Pier 90-94 Backlands may be surplus to current or long-term maritime needs and thus available for other uses. The process for identifying potential other uses of any surplus property will be conducted with the SWAC and other interested community organizations. The maritime industrial study is anticipated to be completed by April 2001, and will be reviewed by the Port's Maritime Commerce Advisory Committee, the SWAC and the general public.

Fish Alley Area Planning

The Waterfront Plan created some ambiguity regarding the future mix of uses and preservation of the architectural character of the Fish Alley Area in Fisherman's Wharf (Seawall Lots 302 and 302, located north of Jefferson Street between Jones and Hyde Streets). For example, it is the only area indicated in the Waterfront Plan as both a

"Maritime Area" and a "Mixed Use Opportunity Area." Consequently, in January 2000, Port staff began a planning process with the Fisherman's Wharf Waterfront Advisory Group, which meets monthly, to clarify these use and design issues related to the Fish Alley Area. Port staff anticipates that it will make recommendations to the Port Commission at the end of the second quarter 2001 on amendments to the Waterfront Plan to resolve these issues.

MAJOR COMMERCIAL DEVELOPMENT, MARITIME, AND OPEN SPACE PROJECTS

Attached are Project Summary Sheets for each of the major commercial development, maritime and open space projects currently being managed by Planning & Development Division staff. Planning & Development's lead staff member for each project is indicated in **bold**. A Project Location map, which is included on the next page, shows the specific location of each project referenced in this summary. A Summary Schedule, which is attached at the end of this report, shows the basic timeline for each project.

These major commercial development, maritime and open space / public access projects are of two fundamental types:

1. Public / Private Partnership Projects. The Port's Waterfront Land Use Plan identified several Waterfront Mixed Use Opportunity Areas where commercial development is encouraged as a part of mixed use developments which also include maritime, open space and public access uses. Such projects are typically undertaken as public / private partnerships, in which the Port enters into a development agreement and long-term lease with a private developer who is selected through a request for proposals process. The following Project Summary Sheets identify the Waterfront Mixed Use Opportunity Area in which each project is located.

2. Port Projects. In addition to public / private partnership projects in Waterfront Mixed Use Opportunity Areas, the Port undertakes public projects throughout the San Francisco Waterfront. These Port projects involve maritime, open space and public access uses. For large Port projects (such as ferry terminals and the Hyde Street Harbor), the initial planning is typically managed by the Port's Planning & Development Division. After this initial planning is completed and most or all of the regulatory entitlements have been secured, the management for these projects is transitioned to the Port's Engineering & Maintenance Division. Smaller Port projects, such as the Pier 43 Arch restoration, are typically managed throughout by the Port's Engineering and Maintenance Division.

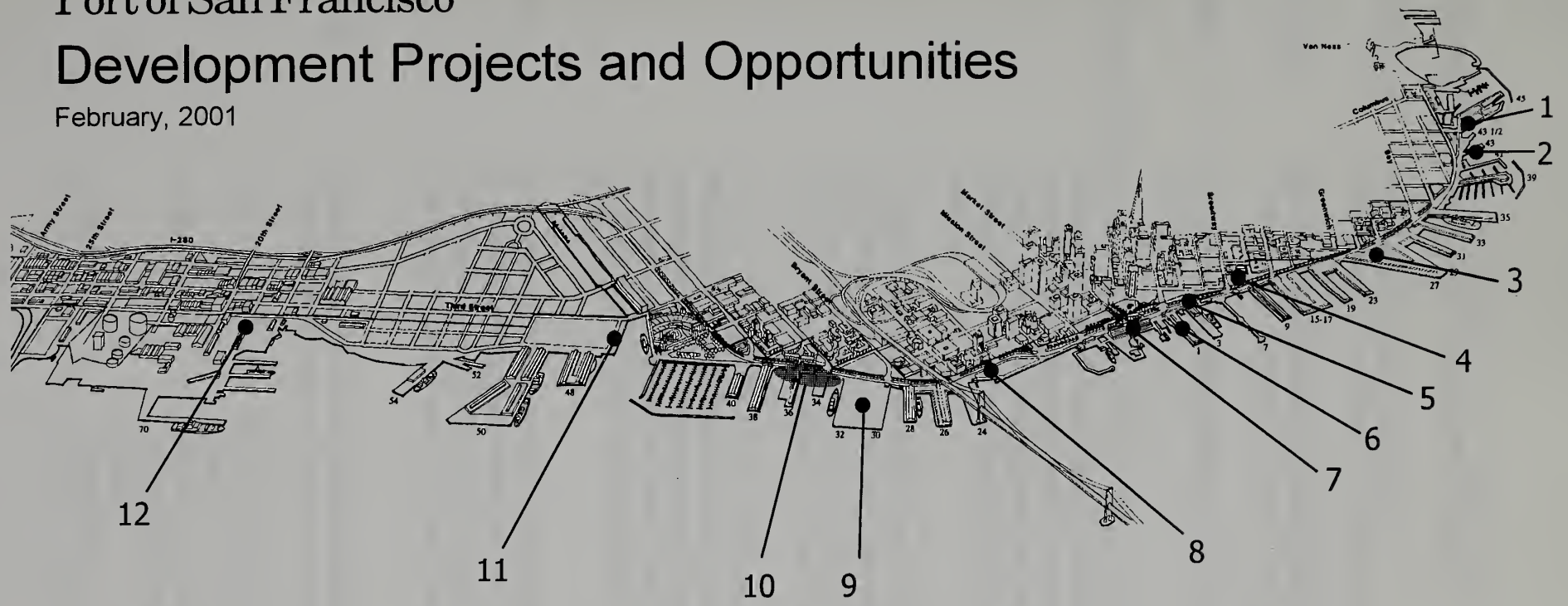
In order to understand the full scope of Port projects currently in process, it is therefore important to review both this status report of Planning & Development projects and the concurrent status report of Engineering & Maintenance projects.

Prepared by: Byron Rhett, Director, Planning & Development

Port of San Francisco

Development Projects and Opportunities

February, 2001



1. **Pier 45 Public Attraction Project**
2. **Pier 43 Public Ferry Terminal**
3. **Piers 27 – 31 Mixed use Recreation Project**
4. **Broadway Hotel Project**
5. **Pier 1 ½ - 5 Mixed use Preservation Project**
6. **Pier 1 Maritime Office Building**
7. **Ferry Building Rehabilitation Project**
8. **Rincon Park Restaurant**
9. **Bryant Street Pier Project (Pier 30-32/SWL 330)**
10. **Brannan Street Wharf**
11. **China Basin Shoreline Park**
12. **Pier 70 Opportunity Area**

1. PIER 45 PUBLIC ATTRACTION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Fisherman's Wharf Mixed Use Opportunity Area

PROJECT STAFF **Byron Rhett, Director of Planning & Development**
Curt Watts, Development Project Coordinator

DEVELOPER **San Francisco at the Wharf, LLC** (The Malrite Company, L.P., as sole 100% owner)

PROJECT DESCRIPTION Development and operation of a public attraction at Pier 45 Shed A that creates uses which have a quality educational/learning/ interpretive focus; are strong enough to significantly enhance the image of Fisherman's Wharf; and support the long-term future of the fishing industry. The public attraction will incorporate San Francisco Bay and maritime oriented themes.

STATUS An RFP was issued for this project on August 25, 1999, and, submittals were received from the following two respondents on January 25, 2000: The Bay Center Coalition for The Bay Center; and San Francisco at the Wharf, LLC for San Francisco at the Wharf.

On June 13, 2000, the Port Commission awarded San Francisco at the Wharf LLC the opportunity to enter into an exclusive right to negotiate agreement for the development and lease of Pier 45 Shed A for its proposed public attraction project, and this agreement was executed on August 15, 2000. The current expiration of its original term is April 15, 2001.

APPROVALS The project will require approvals from the Office of Environmental Review, Planning Department, Waterfront Design Advisory Committee, Port Commission, BCDC, and the Board of Supervisors, as well as perhaps the Army Corps of Engineers and RWQCB.

PRIMARY CONSULTANTS Heller Manus Architects; Architectural Resources Group (preservation architects); Gallagher & Associates (design development); Reuben & Alters (legal).

SCHEDULE

June 13, 2000	Port Commission selected San Francisco at the Wharf, LLC for exclusive negotiations
April 15, 2001	Expiration of extended original term for exclusive right to negotiate agreement; two 4-month options to extend
August 2002	Projected start of construction
March 2003	Projected completion of construction

2. PIER 43 PUBLIC FERRY TERMINAL

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner
Denise Turner, Wharfinger

PROJECT DESCRIPTION A ferry terminal will be constructed at Pier 43 to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will include a floating berth, pilings, gangway system, and ramps to connect to Pier 43.

STATUS The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal. The City of Vallejo has hired a design team and working with Port staff has developed a preliminary design and 60-percent construction drawings for the terminal. The City of Vallejo is currently completing the environmental review for the project and seeking necessary funds to match the most recent cost estimates.

APPROVALS The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and Regional Water Quality Control Board.

PRIMARY CONSULTANT Moffatt and Nichol Engineers

SCHEDULE

June 1998	Cooperative Agreement finalized
November 1998	Vallejo issued RFP for design consultant
February 2000	30% Design completed
Fall 2000	Applied for BCDC and other permits
Fall 2001	Projected start of construction

3. PIERS 27 – 31 MIXED USE RECREATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Chestnut/Lombard Street Piers Mixed Use Opportunity Area

PROJECT STAFF **Kirk Bennett, Manager, Waterfront Development Projects**
Curt Watts, Development Project Coordinator

PROJECT DESCRIPTION Development and operation of a Mixed Use Recreation Project on Piers 27 – 31. This project is intended to create a local and regional destination serving a wide range of recreational interests, including both active and passive recreational activities. In addition to other ancillary uses, the recreation project will provide for public access through and around Piers 27 – 31. An open space network, including the Northeast Wharf Plaza at the front of Pier 27, will provide expansive views of San Francisco Bay as well as views of recreational activities.

STATUS Following a planning process which included the Northeast Waterfront Advisory Group, BCDC and the Port Commission, an amended RFP was issued on August 31, 2000, with a deadline for submittals of December 5, 2000. By that deadline, the following two respondents submitted proposals in response to this RFP: Chelsea Piers, L.P., and The Mills Corporation.

PROJECT APPROVALS The project will require approvals from the Office of Environmental Review, Planning Department, Waterfront Design Advisory Committee, Port Commission, BCDC, and the Board of Supervisors, as well as perhaps the Army Corps of Engineers and RWQCB.

SCHEDULE

December 5, 2000	Deadline for submittals to amended RFP
January 9, 2001	Informational presentation by proposers to Port Commission
February 7, 2001	Informational presentation by proposers to Northeast Waterfront Advisory Group
March 2001	Port Commission selection of developer for exclusive negotiations
August 2002	Projected start of construction
Jan –Feb. 2004	Projected completion of construction

4. BROADWAY HOTEL PROJECT

TYPE OF PROJECT	Public/Private Partnership Project Broadway Pier Mixed Use Opportunity Area
PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Jennifer Sobol, Development Project Coordinator**
DEVELOPER	**Stanford Hospitality, Inc.**
PROJECT DESCRIPTION	Development of a first-class, four-star, full-service hotel consisting of approximately 450 rooms, with restaurants, cocktail lounges, spa, fitness center, meeting rooms and ballrooms, retail shops and underground parking, located at Broadway and The Embarcadero.
STATUS	Negotiations are on-going with the selected developer, Stanford Hospitality, Inc. No brand has been selected yet. The Waterfront Design Advisory Committee has made a preliminary review of the schematic plans and requested revisions. The Environmental Evaluation application has been filed with the Planning Department, and a Supplemental EIR is underway. The current hotel plans are being presented to various community groups and stakeholders.
APPROVALS	The project will require CEQA review, design review by *the Waterfront Design Advisory Committee,* a conditional use authorization from the Planning Department, and a Certificate of Appropriateness from the Landmarks Preservation Board. Approvals of the Lease will be required by the Port Commission and the Board of Supervisors.
PRIMARY CONSULTANTS	Blunk DeMattei Associates, Architects; EIP Associates (environmental review); Real Estate Planning Strategies (community relations); Sheppard Mullin Richter & Hampton (land use)

SCHEDULE MILESTONES		
	September, 2001	Projected certification of EIR
	March, 2002	Projected start of construction
	January 2004	Projected completion of construction

5. PIER 1 ½ - 5 MIXED USE PRESERVATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Ferry Building Mixed Use Opportunity Area

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Alec Bash, Waterfront Planner—Special Projects
Jennifer Sobol, Development Project Coordinator
Ed Byrne, Engineering Manager

DEVELOPER **San Francisco Waterfront Partners, LLC**

PROJECT DESCRIPTION Development of a Mixed Use Preservation Project involving the Piers 1 ½, 3 and 5 bulkhead buildings, Pier 1 ½, and a portion of Pier 3. The goals of this development are to create an inviting mixed use project that attracts the public to the Bay and enhances their waterfront experience, and to preserve and rehabilitate these historic bulkhead buildings.

STATUS On March 10, 2000 the Port issued the RFP for this project.. Three proposals were submitted in response thereto. On January 9, 2001, the Port Commission awarded exclusive negotiation rights to San Francisco Waterfront Partners, LLC ("SFWP"), a joint venture of Putnam Waterfront Partners, LLC, The Jefferson Company and The California State Teachers Retirement System. SFWP's proposal includes preservation and rehabilitation of the bulkhead buildings, extensive public access walkways along the water and the Port Walk, four food service establishments (totaling approximately 10,930 s.f.), new office development, a water taxi landing, a marina for transient and monthly boat berthing and a ticket office for Hornblower Dining Yachts.

APPROVALS The project will require approvals from the Office of Environmental Review, Planning Department, Waterfront Design Advisory Committee, Port Commission, BCDC, the Army Corps of Engineers, the RWQCB and the Board of Supervisors..

PRIMARY CONSULTANTS Hannum Associates (architect); Carey& Co. (historic architect); The Jefferson Company (construction management); Holmes Culley (structural engineers)

SCHEDULE

March 10, 2000	RFP issued
August 31, 2000	Three responses to RFP submitted
January 9, 2001	Port Commission selected San Francisco Waterfront Partners, LLC for exclusive negotiations
April 2002	Projected start of construction
October 2003	Projected completion of construction

6. PIER 1 MARITIME OFFICE BUILDING

TYPE OF PROJECT Public/Private Partnership Project
Ferry Building Mixed Use Opportunity Area

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator
Mary Ilyin, Project Manager for Relocation of Port Offices
John Zoranovich, Construction Administrator

DEVELOPER **AMB Property Corporation**

PROJECT DESCRIPTION Pier 1 has been converted from a parking garage to a 150,000 square feet of Class-A office space. It houses the Port's new administrative offices and is the headquarters for the developer, AMB Property Corporation. It will soon house other office tenants and include a newly renovated Pier 1 Deli. Nearly one acre of new public access extends around the pier perimeter. The Port's conference rooms will be made available to the public after hours for meetings and events.

STATUS Construction is nearly complete. An Exhibits Design consultant is assisting Port staff in preparing the Port Story, a wall of photographs and exhibits along the Bayside History Walk depicting the Port's history and business lines. AMB moved into its offices in mid-December, and the Port moved into its offices in mid-February. Other tenants, Venture Law Group, Weston Presidio Capital and Pier 1 Deli, will move in soon.

APPROVALS All necessary regulatory approvals have been obtained.

PRIMARY CONSULTANTS Simon Martin-Vegue Winkelstein Moris (Pier 1 architect); Tom + Aguila (Port architects); Nibbi Brothers (general contractor)

SCHEDULE

December 2000	AMB moved to Pier 1
February 2001	Port moved to Pier 1
March 2001	Projected completion of construction

7. FERRY BUILDING REHABILITATION PROJECT

TYPE OF PROJECT Public/Private Partnership Project
Ferry Building Mixed Use Opportunity Area

PROJECT STAFF **Alec Bash, Waterfront Planner—Special Projects**
Mary Ilyin, Project Manager

DEVELOPER **Ferry Building Investors, LLC** (Wilson/Equity Office, Wilson Meany LLC, Primus Infrastructure and Real Estate Company, LLC)

PROJECT DESCRIPTION Redevelopment of this National Register and City Landmark building with ground floor retail, transportation and public uses and complementary upper floor office and other commercial uses. The Port's goals are for a signature project, which achieves a high level of public use and support, strengthens the Port's long-term financial position, and enhances the Port's ability to undertake other projects.

STATUS A developer Request for Qualifications and Proposals was issued in May 1998. The Commission in August 1999 approved a Lease Disposition and Development Agreement and Ground Lease with Ferry Building Investors LLC, an entity managed by Wilson Cornerstone. The Waterfront Design Advisory Committee approved Design Recommendations for the project in October 1999, after which the Port Commission approved the Schematic Design in November 1999. Environmental review is complete and a Historic Preservation Certification Application for tax credits has received initial approvals.

APPROVALS The project has received all necessary regulatory approvals.

PRIMARY CONSULTANTS SMWM (architect), Page & Turnbull (preservation architect), Baldauf Cotton Von Eckartsberg (retail architect), Plant Construction (general contractor)

SCHEDULE MILESTONES

March 2001	Lease conveyed
March 2001	Projected commencement of construction
July 2002	Projected completion of construction

8. RINCON PARK RESTAURANT

TYPE OF PROJECT Public/Private Partnership Project
Rincon Point/South Beach Redevelopment Plan Area

PROJECT STAFF Anne Cook, Manager, Waterfront Development Projects
Kari Kilstrom, Development Project Coordinator
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

DEVELOPER **Nice Ventures, Inc.**

PROJECT DESCRIPTION The 20,000 square foot site is located at the south end of the approximately 3-acre Rincon Park which will stretch along The Embarcadero between Howard and Harrison Streets. Through an agreement between the GAP (which is building a headquarters office building at Folsom and Steuart Streets) and the Redevelopment Agency, the Park will be designed, constructed and maintained. The restaurant site is within the Rincon Point/South Beach Redevelopment Plan Project Area, and was the subject of a 1995 Agreement to Lease between the Port and the Redevelopment Agency.

STATUS On July 25, 2000, the Port Commission approved the Development Agreement (including the Ground Lease) and approved the Schematic Drawings for the Restaurant Site (Resolutions 00-60 and 00-61) On October 19, 2000, the Board of Supervisors approved the Lease (Resolution 877-00).

APPROVALS The Project will require a permit from BCDC and a Building Permit from the Port

SCHEDULE

March 1999	Port Commission authorized exclusive negotiations with Nice Ventures Inc.
July 2000	Port Commission approved Development Agreement and Lease and Schematic Design
September 2001	Projected start of construction
August 2002	Projected completion of construction

9. BRYANT STREET PIER OPPORTUNITY AREA (PIER 30-32/SWL 330)

TYPE OF PROJECT
Public/Private Partnership Project
Bryant Street Pier Mixed Use Opportunity Area

PROJECT STAFF
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering
Mike Nerney, Maritime

DEVELOPER
San Francisco Cruise Terminal LLC.

PROJECT DESCRIPTION
In June 1999, the Port issued a Request for Qualifications and Proposals (RFQ/P) to design and develop the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal, on the approximately 13-acre Pier 30-32 and 3-acre Seawall Lot 330. Port staff worked closely with an Advisory Group made up of industry experts and community representatives in drafting the project goals and objectives included in the RFQ/P. The Project will serve as the focal point for maritime, commercial and public activity between the new Pacific Bell Ballpark and downtown. Acceptable uses for the mixed-use component include, but are not limited to, retail, maritime office, entertainment, hotel, public access and open space.

STATUS
The Port received four submittals on July 26, 1999 in response to the RFQ/P. In August, the Port invited three of the four teams, including Forest City Development, San Francisco Cruise Terminal LLC ("SFCT") and LCOR San Francisco Cruise Terminal LLC ("LCOR"), to submit detailed proposals for the Project. On October 28, the Port received two proposals from SFCT and LCOR. Port staff and independent consultant Economic & Planning Systems evaluated both proposals based on criteria outlined in the RFQ/P. Port staff issued a report on January 7, 2000 recommending that the Port enter into exclusive negotiations with SFCT. The Port Commission received the staff's recommendation in its meeting on January 11, and following extensive public comment, voted 4 –1 to enter into exclusive negotiations with SFCT.

APPROVALS
This Project will require permits and approvals from the Port Commission, BCDC, the Planning Department, and the Army Corps of Engineers, among other agencies.

SCHEDULE

July 1999	Four teams respond to RFQ/P
August 1999	Port "short lists" three developers for proposal phase
October 1999	Two proposals submitted
January 2000	Staff recommendation and Port Commission selection of developer for exclusive negotiations
January 2000	Exclusive Negotiation period began
January 2001	Environmental Review Began

10. BRANNAN STREET WHARF

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner
Anne Cook, Manager, Waterfront Development Projects

PROJECT DESCRIPTION Brannan Street Wharf is a new open space identified in the Port's Waterfront Design & Access Element and the recently adopted BCDC Special Area Plan. It will be a bayfront urban park to serve the neighborhood and the entire region, located on The Embarcadero between Piers 30-32 and 38. It will replace Piers 34 and 36. The scope of this project is to prepare a concept design plan for the Brannan Street Wharf. The park will likely include opportunities to walk out over the water, quiet spaces to enjoy spectacular views, and facilities for regional events.

On August 3, the Commission of the California Coastal Conservancy authorized a grant for $100,000 to the Port of San Francisco to develop a design plan for Brannan Street Wharf. The Port will be hiring a consultant team to assist staff in conducting a public design process for the park.

STATUS Port staff finalized the grant agreement with the California Coastal Conservancy. Planning and design consultants have submitted proposals and are currently being reviewed by staff.

PROJECT APPROVALS The project will be presented to the Port Commission for consideration of approval and will require permits from BCDC and the Army Corp of Engineers.

SCHEDULE

Winter 2001	Select consultant team
Spring 2001	Begin public design process
Fall 2001	Complete concept design

11. CHINA BASIN SHORELINE PARK

TYPE OF PROJECT Port Project

PROJECT STAFF Diane Oshima, Manager, Waterfront Planning
Dan Hodapp, Planner

PROJECT DESCRIPTION As part of the construction of the Pacific Bell Ballpark the China Basin Ballpark Company (CBBC) will be improving as a public park an area east of Third Street between the south edge of China Basin Channel and Terry Francois Boulevard. The park improvements will follow the Port's China Basin Shoreline Stabilization project in this area. Port staff has worked with CBBC in developing a concept design and reviewing it publicly with neighborhood organizations.

STATUS The concept design was recently completed and construction drawings are now being prepared. Construction is expected to begin in the Fall of 2001.

PROJECT APPROVALS Environmental Review was certified and a BCDC permit was approved as part of the ballpark. BCDC and the Port's design review consultants will review the final design.

PRIMARY CONSULTANTS Pat O'Brien, Landscape Architects

SCHEDULE

June 2000	Concept Design Completed
November 2001	Begin construction
March 2002	Construction Completed

12. PIER 70 OPPORTUNITY AREA

TYPE OF PROJECT Public/Private Partnership Project
Pier 70 Mixed Use Opportunity Area

PROJECT STAFF Anne Cook, Manager, Waterfront Development Projects
Alec Bash, Waterfront Planner Special Projects
Marc Paez, Planner

PROJECT DESCRIPTION The Waterfront Land Use Plan identifies an approximately 16-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several of the historic Union Iron Works buildings are included within this opportunity area. The Waterfront Plan allows non-maritime land uses in this area which result in the preservation and adaptive reuse of the historic buildings, provided they are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. New construction will be permitted provided that public access improvements are extended to the water's edge as indicated in the Waterfront Plan, and other Plan criteria are met, including the preservation and adaptive reuse of three Union Iron Works buildings at Pier 70.

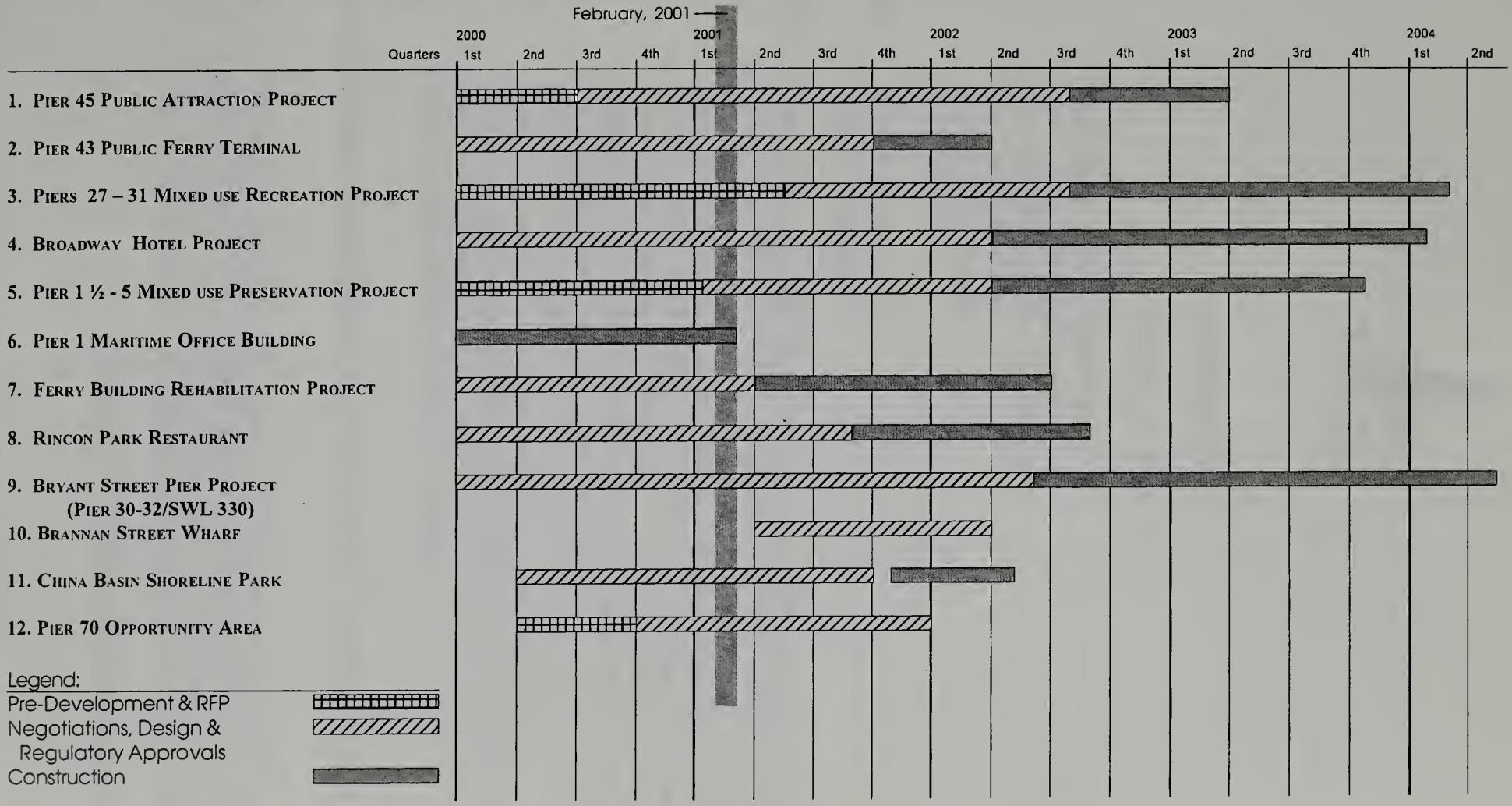
STATUS In 2000, Port staff : (1) formed and met with the Pier 70 Advisory Group to formulate the goals and objectives for the Pier 70 development RFQ/P; (2) hired an economic consultant to perform economic and planning analyses of the site; and (3) conducted a Phase II environmental analysis of the site through a grant with the federal Environmental Protection Agency. In October 2000, in response to a request from the Mayor's Office, the Port Commission directed Port staff to issue a separate RFQ/P for 150,000 square feet of non-profit arts space within the Pier 70 Opportunity Area. Port staff has since commenced drafting an RFQ/P for the non-profit arts site and an RFQ/P for the remainder of the Opportunity Area.

APPROVALS The projects will require approval from the Port Commission, the Planning Department, BCDC and the San Francisco Board of Supervisors. CEQA review and a project Environmental Impact Report (EIR) may also be required

SCHEDULE

December 2000	Completed development of project goals and objectives with the Pier 70 Advisory Group and feasibility analyses
February 2001	Port staff will seek Commission authorization to issue both RFQ/P's for the Opportunity Area
March 2001	Projected issuance of RFQ/P's

Planning & Development Project Schedules



PORT OF SAN FRANCISCO

MEMORANDUM

February 21, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Amendment of the Waterfront Land Use Plan ("Waterfront Plan") to (1) realign the northern boundary of the Southern Waterfront Subarea so as to place Pier 66, and portions of Seawall Lots 345 and 349 (east side of Illinois Street from 18th Street to south of Mariposa Streets) within the Southern Waterfront Subarea rather than the South Beach/China Basin Waterfront Subarea, (2) modify the Pier 70 Mixed Use Opportunity Area to extend northerly up to and including Pier 66 and portions of Seawall Lots 345 and 349, and to exclude Union Iron Works Buildings Nos. 36 and 109, and (3) include "Artists/Designers" as an Acceptable "A" use within the Southern Waterfront Acceptable Land Use Table for the Pier 70 Mixed Use Opportunity Area; and amendment of the Waterfront Plan's Design & Access Element to relocate Pier 66 and portions of Seawall Lots 345 and 349 from the Mission Bay Subarea to the Pier 70 Subarea.

DIRECTOR'S RECOMMENDATION: Approve Resolution to Amend the Waterfront Plan.

The Port's Waterfront Land Use Plan ("Waterfront Plan") designates a portion of Pier 70 (the "Opportunity Area) between 18th and 21st Street where future non-maritime uses will be permitted. The Port established a Pier 70 Advisory Group in March 2000 to provide input on the development goals and objectives for the Opportunity Area prior to issuance of a Request

THIS PRINT COVERS CALENDAR ITEM NO. **6B**

for Proposals. That Advisory Group has met many times to develop recommendations for the development of the Opportunity Area. The Advisory Group has recommended that the Opportunity Area be expanded to include Pier 66 and portions of Seawall Lots 345 and 349, consisting of shoreline land on the east side of Illinois Street from 18th Street to south of Mariposa Street. This property is immediately south of the Ramp Restaurant and associated boating facilities at 855 Terry A. Francois Boulevard. The Advisory Group has also recommended that a portion of the Opportunity Area be used to assist non-profit arts uses that are in need of additional space in San Francisco.

The Port Commission on November 1, 2000 considered the recommendation of the Advisory Group for non-profit arts uses, along with a related request from the Mayor's Office to explore the development of non-profit arts space within the Waterfront Land Use Plan's Pier 70 Mixed Use Opportunity Area. The Port Commission by Resolution No. 00-85 directed Port staff to issue a Request for Proposals to implement at least 150,000 square feet of non-profit arts space in the development of the Pier 70 Opportunity Area.

The Waterfront Plan in its Southern Waterfront Land Use Table identifies Acceptable Uses for the Opportunity Area. These Acceptable Uses include various Maritime Uses; Open Space and Public Access; Commercial Uses including Assembly and Entertainment, General Office, Museums, Parking, Retail (includes Restaurants), Recreational Enterprises, Warehousing/Storage and Wholesale/Trade; and Other Uses including Academic Institutions, Community Facilities and General Industry. It would be appropriate to add Artists/Designers as an Acceptable Use for the Opportunity Area because the use will attract the public to the waterfront to use and enjoy the public access and historic maritime architecture that are important features of the Opportunity Area. Accordingly, the use will promote public trust objectives for the Area. Artists/Designers uses are also compatible with the adjacent industrial maritime use at the shipyard. In addition, the Advisory Group recommended that the use be included. A Mayor's Office study of non-profit space needs in the City found that nearly one million square feet of non-profit space could be at risk over the next three years. In that context, the inclusion of this use could serve as a strong public attraction.

The Waterfront Plan does not presently indicate any use categories for Pier 66. Seawall Lot 349 is a very large parcel including both the Pier 70 Maritime Area and the Opportunity Area, as well as a portion not designated within either Area. The Waterfront Plan does not presently indicate any use categories for that portion of Seawall Lot 349 not within either the Maritime or Opportunity Area. The Waterfront Plan for Seawall Lot 345 includes various Maritime Uses, Public Access, Parking and Retail (including Restaurants) as Acceptable Uses.

Modifying the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349 would incorporate three additional Port leaseholds, those of Granite Excavation & Demolition, Inc. ("Granite") at Pier 66, JFC International, Inc.("JFC") at Seawall Lot 345 and B&C Iron & Metal Co. (B&C) at Seawall Lot 349. Granite's five-year lease allows office and storage use through May 31, 2005, and includes 7,375 sqaure feet of shed space and 14,747 square feet of usable open yard space. JFC's five-year lease permits warehousing and storage of fresh and frozen fish, and processing and distribution of same through July 31, 2003, and includes 6,049 square feet of shed space, 700 square feet of

storage space and 25,500 square feet of yard space. B&C's month-to-month lease includes 4,452 square feet of building and 4,096 square feet of land. The lease permits stockpiling and distribution of scrap metal and no other use, and specifically excludes metal shredding or crushing, and storage or parking of automobiles except for operable vehicles used in the operation of the business.

Removing Union Iron Works Buildings Nos. 36 and 109 from the Opportunity Area would roughly balance out the additional area being added at Pier 66 and portions of Seawall Lots 345 and 349. These buildings are currently under lease to San Francisco Drydock, Inc. and are in continuing maritime use.

It would be appropriate for land use planning purposes to modify the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349, as this relatively underutilized area is not designated for Maritime Use and forms the northerly part of the waterfront cove that connects the Opportunity Area to the Bay. The parcels are within a P (Public Use) district and, fronting on Illinois Street and bordering the Bay as they do, would likely become attractive public connections from inland areas to the Opportunity Area and the Bay. Removing Buildings Nos. 36 and 109 is appropriate given their ongoing maritime use

The specific amendment to the Waterfront Plan includes changing the boundary line between the Southern Waterfront Subarea and the South Beach/China Basin Waterfront Subarea to include Pier 66 and portions of Seawall Lots 345 and 349 within the Southern Waterfront Subarea, expanding the Pier 70 Mixed Use Opportunity Area to include these properties, and modifying the Southern Waterfront Acceptable Use Table to include Artists/Designers as one of the Acceptable Uses for the expanded Pier 70 Mixed Use Opportunity Area. The Design & Access Element amendment includes changing the boundary line between the Mission Bay Subarea and the Pier 70 Subarea to include Pier 66 and portions of Seawall Lots 345 and 349 within the Pier 70 Subarea.

The environmental impacts of a wide range of uses within the Opportunity Area were analyzed in the Waterfront Land Use Plan Program Final Environmental Impact Report certified in January 1997. The Planning Department's Office of Environmental Review has determined that the impacts of Artists/Designers use are similar to the impacts of the other Opportunity Area Acceptable Uses as a general land use category. Further, that the modification of the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349, and to exclude Buildings Nos. 36 and 109, does not represent any increase in the development potential on this portion of the waterfront. Thus the proposed amendments to the Waterfront Land Use Plan do not require further environmental analysis. The Port Commission can not and will not make any determination about the use program for the Project until project-specific environmental review is completed, which would be several years away.

RECOMMENDATION: Port Staff recommends that the Port Commission amend the Waterfront Plan to (1) realign the boundary line between the Southern Waterfront Subarea and the South Beach/China Basin Waterfront Subarea on page 83A so as to place Pier 66, and portions of Seawall Lots 345 and 349 (east side of Illinois Street from 18th Street to south of Mariposa Street) within the Southern Waterfront Subarea, (2) modify the Pier 70

Mixed Use Opportunity Area on page 163A to extend northerly up to and including Pier 66 and portions of Seawall Lots 345 and 349, and to exclude Buildings Nos. 36 and 109, and (3) include "Artists/Designers" as an Acceptable "A" Use within the Southern Waterfront Acceptable Land Use Table for the Pier 70 Mixed Use Opportunity Area on page 162; and amend the Waterfront Plan's Design & Access Element to realign the boundary line between the Mission Bay Subarea and the Pier 70 Subarea on page 55 so as to place Pier 66 and portions of Seawall Lots 345 and 349 within the Pier 70 Subarea.

Prepared by: Alec Bash, AICP, Waterfront Planner—Special Projects

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-12

ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT RELATED TO THE ADOPTION OF AMENDMENTS TO THE WATERFRONT LAND USE PLAN, AND ADOPTING AMENDMENTS TO THE WATERFRONT LAND USE PLAN

WHEREAS, Charter Section 3.581 grants to the Port Commission the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, In June 1997, the Commission adopted Resolution 97-50 adopting findings pursuant to the California Environmental Quality Act, and adopting the Waterfront Land Use Plan, including the Waterfront Design & Access element ("Waterfront Plan"); and

WHEREAS, In March 2000, the Port established a Pier 70 Advisory Group to provide input on the development goals and objectives for the Pier 70 Mixed Use Opportunity Area ("Opportunity Area") prior to issuance of a Request for Proposals, and the Advisory Group has recommended that the Opportunity Area be expanded to include Pier 66 and portions of Seawall Lots 345 and 349, consisting of shoreline land on the east side of Illinois Street from 18th Street to south of Mariposa Street, and that a portion of the site be used to attract non-profit arts uses that are in need of additional space in San Francisco; and

WHEREAS, The Waterfront Plan in its Southern Waterfront Land Use Table identifies Acceptable Uses for the Opportunity Area which include various Maritime Uses; Open Space and Public Access; Commercial Uses including Assembly and Entertainment, General Office, Museums, Parking, Retail (includes Restaurants), Recreational Enterprises, Warehousing/Storage and Wholesale/Trade; and Other Uses including Academic Institutions, Community Facilities and General Industry; and

WHEREAS, It would be appropriate to add Artists/Designers as an Acceptable Use for the Opportunity Area to attract the public to the waterfront to use and enjoy the public access and historic maritime architecture that are the important features of the Opportunity Area, consistent with the recommendations of the Advisory Group and the request of the Mayor's Office; and

WHEREAS, On November 1, 2000 the Port Commission adopted Resolution No 00-85 directing Port staff to issue a Request for Proposals ("RFP") to implement 150,000 square feet of non-profit arts space in the development of the Opportunity Area; and

WHEREAS, The addition of Pier 66 and portions of Seawall Lots 345 and 349, properties not designated by the Waterfront Plan for Maritime Use, to the Opportunity Area would allow inclusion of a relatively underutilized area that forms the northerly part of the waterfront cove that connects the Opportunity Area to the Bay, while the removal of Buildings Nos. 36 and 109 from the Opportunity Area would reflect their ongoing maritime use; and

WHEREAS, The environmental impacts and mitigation measures associated with the Opportunity Area were analyzed in the Waterfront Plan Program Final Environmental Impact Report (FEIR), certified on January 20, 1997, and

WHEREAS The Planning Department's Major Environmental Assessment Office has determined that the impacts of Artists/Designers use are similar to the impacts of the other Opportunity Area Acceptable Uses as a general land use category and that the modification of the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349 and to exclude Buildings Nos. 36 and 109 does not represent any increase in the development potential on this portion of the waterfront, and, therefore, that the proposed amendments to the Waterfront Land Use Plan do not require further environmental analysis; now, therefore, be it

RESOLVED, That the Port Commission has considered the information in the FEIR and, based thereon and on the findings above, the Port Commission hereby finds that: (1) the Waterfront Plan amendments are within the scope of the project analyzed in the FEIR and do not raise any important new issues about the significant effects on the environment not previously considered in the FEIR; (2) no changes are proposed or have occurred in the Waterfront Plan analyzed in the FEIR that would require major revisions to the FEIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; (3) no substantial changes have occurred with respect to the circumstances under which the amendments are being adopted that would require major revisions to the FEIR due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects; (4) no new information of substantial importance has become available since the FEIR was certified indicating that: (a) the Waterfront Land Use Plan or the proposed amendments will have one or more significant effects not discussed in the FEIR; (b) significant effects examined in the FEIR would be substantially more severe; (c) mitigation or alternatives previously found not

to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project; or (d) mitigation measures or alternatives which are considerably different from those analyzed in the FEIR would substantially reduce one or more significant effects on the environment; and (5) the proposed amendments to the Waterfront Plan otherwise pose no potential for any significant environmental effects; and therefore there is no need to prepare a supplement to the FEIR or recirculate the FEIR, and be it further

RESOLVED, That the Port Commission hereby adopts the amendments to the Waterfront Plan to (1) realign the boundary line between the Southern Waterfront Subarea and the South Beach/China Basin Waterfront Subarea on page 83A so as to place Pier 66, and portions of Seawall Lots 345 and 349 (east side of Illinois Street from 18th Street to south of Mariposa Streets) within the Southern Waterfront Subarea, (2) modify the Pier 70 Mixed Use Opportunity Area on page 163A to extend northerly up to and including Pier 66 and portions of Seawall Lots 345 and 349, and to remove Buildings Nos. 36 and 109, and (3) include "Artists/Designers" as an Acceptable "A" Use within the Southern Waterfront Acceptable Land Use Table for the Pier 70 Mixed Use Opportunity Area on page 162; and amend the Waterfront Plan's Design & Access Element to realign the boundary line between the Mission Bay Subarea and the Pier 70 Subarea on page 55 so as to place Pier 66 and portions of Seawall Lots 345 and 349 within the Pier 70 Subarea; and be it further

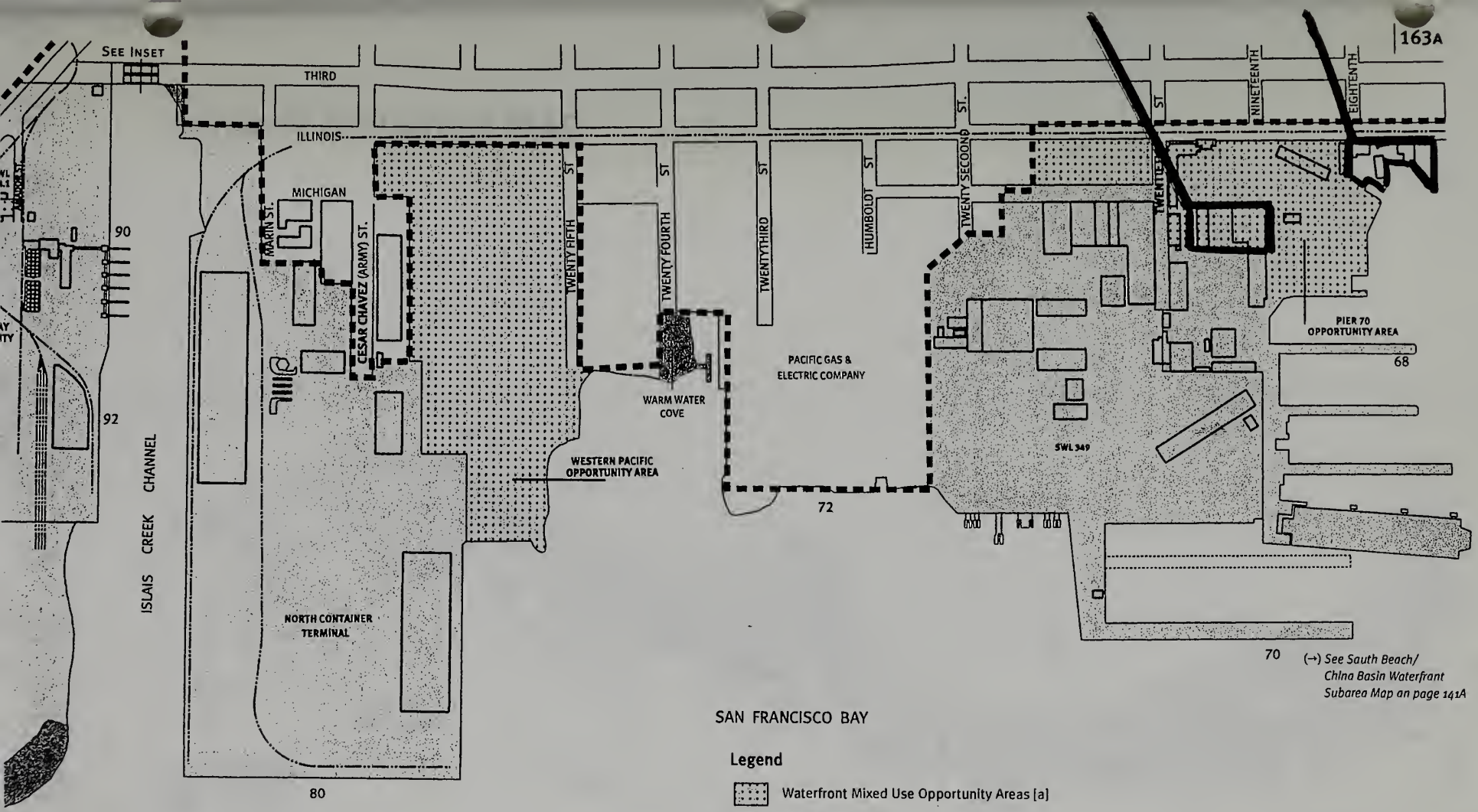
RESOLVED, That the Port Commission hereby authorizes the Executive Director to make such minor technical or non-material changes to the Waterfront Land Use Plan, in consultation with the City Attorney, as he deems appropriate to implement the intent of this Resolution; and be it further

RESOLVED, that the Port Commission will not act to approve a Lease or related documents nor make any determination about the use program for the Opportunity Area until project-specific environmental review under the California Environmental Quality Act (CEQA) has been completed and considered by the Port Commission.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 27, 2001.

_____

Secretary



(→) *See Sauth Beach/ China Basin Waterfrant Subarea Map an page 141A*

SAN FRANCISCO BAY

Legend

- Waterfront Mixed Use Opportunity Areas [a]
- Other Maritime Areas
- Other Public Access & Open Space Areas

[a] Waterfront Mixed Use Opportunity Areas include any underlying existing and acceptable maritime, public access and open space and commercial areas. See Acceptable Land Use Tables for more detail.

[b] There are two exceptions to the generally contiguous shoreline property held by the Port between Hyde Street Pier and India Basin. Five parcels (and portions of existing and planned streets) within Port Jurisdiction are located south of India Basin, just north of Candlestick Park; these parcels are identified on the map and Acceptable Land Use Table for the Southern Waterfront subarea. Portions of certain piers at Hunters Point Shipyard not shown on this map are shown on the Burton Act maps as within Port jurisdiction, but are currently under the control of the Navy; these areas are not included in the Draft Waterfront Land Use Plan because the land use policies included in the Re-use Plan for the Shipyard will apply to these sites.

Map Notes

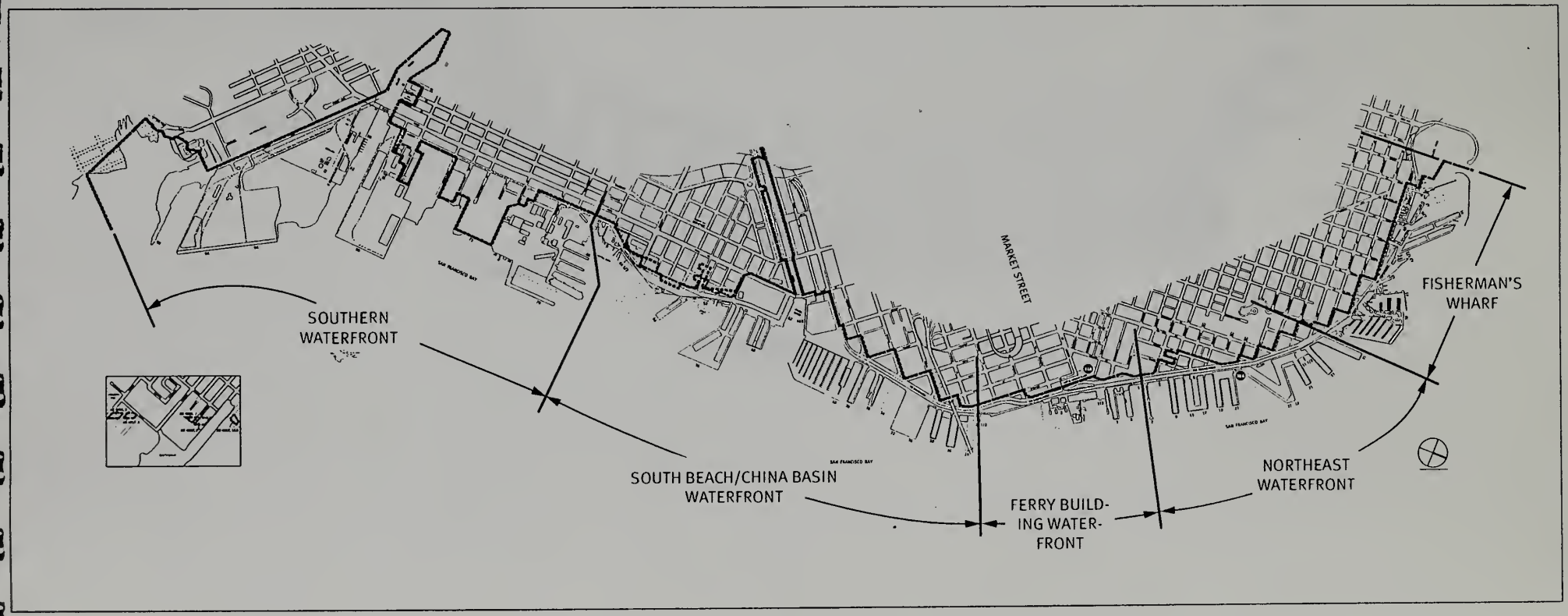
- Freight Rail Line
- Indicates condemned piers
- Waterfront Plan Project Area Boundary
- SWL Seawall Lot

1 The maps are illustrative only. Please see the Acceptable Land Use Tables in Chapter 4 for a complete listing of acceptable permanent uses for each Port site.

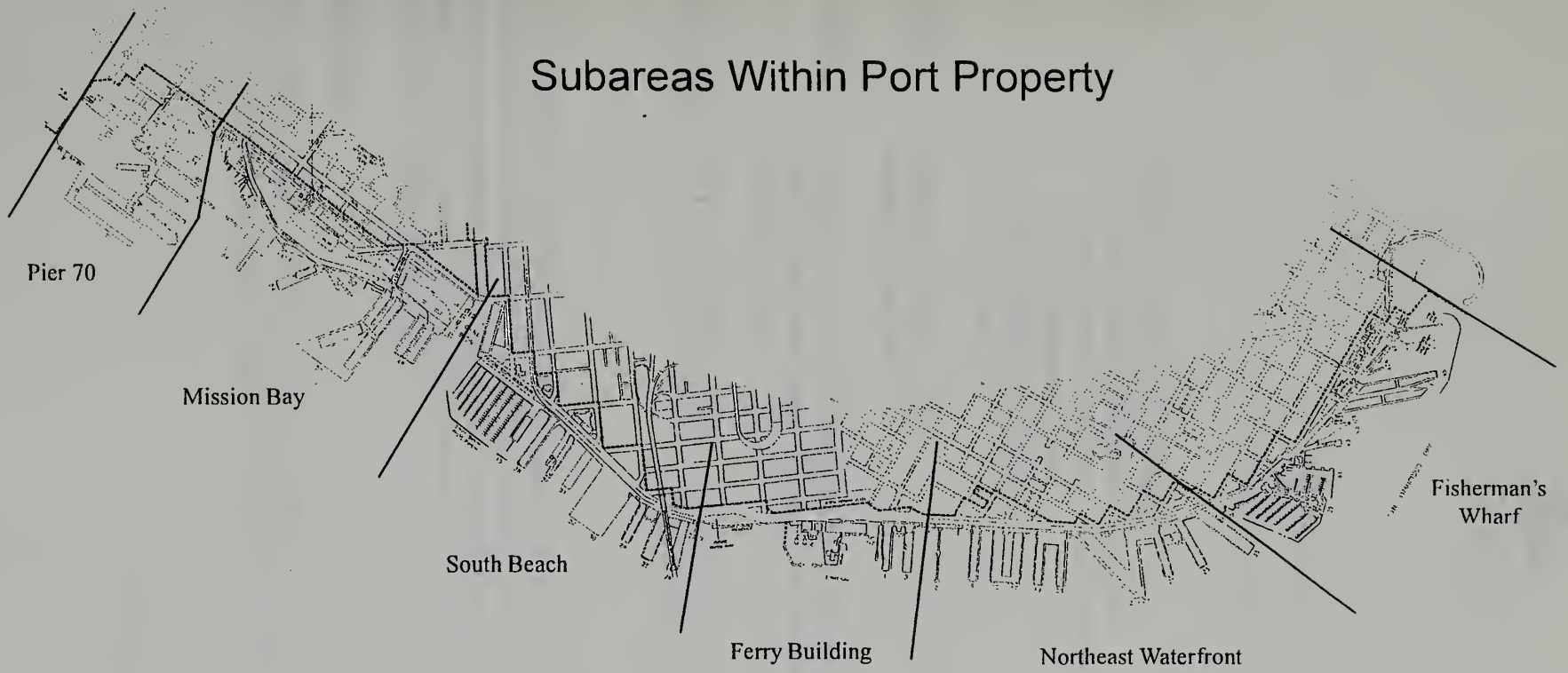
NORTH

0 175 350 700

Subarea Boundary Map



Subareas Within Port Property



PORT OF SAN FRANCISCO

MEMORANDUM

February 22, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Issue a Request for Proposals for a Non-Profit Arts Project and a Mixed Use Development Project, both within the Pier 70 Mixed Use Opportunity Area

DIRECTOR'S RECOMMENDATION: AUTHORIZE ISSUANCE OF REQUESTS FOR PROPOSALS

This staff report provides background information regarding the proposed development of the Pier 70 Mixed Use Opportunity Area ("Opportunity Area"), and it includes the recommendation that the Port Commission authorize staff to issue Requests for Proposals ("RFPs") for (1) a Non-Profit Arts Development ("Arts RFT") and (2) a Mixed Use Development ("Mixed Use RFP").

Background

The Waterfront Land Use Plan ("Waterfront Plan") identifies an approximately 17-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st Streets.

This Print Covers Calendar Item No. **6C**

(Attachment A – Opportunity Area Map). Several historic buildings are included within this Opportunity Area, including the former Bethlehem Steel Administration Building at the northeast corner of 20th and Illinois Streets and the neighboring Powerhouse Building just to the east. The Waterfront Plan allows non-maritime land uses in the Opportunity Area to facilitate the preservation and adaptive reuse of the historic buildings, provided such uses are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. The Waterfront Plan also permits new construction, provided that public access improvements are extended to the water's edge, and other criteria are met.

The Pier 70 Mixed Use Opportunity Area is located at the heart of the historic Central Waterfront. The site is bounded by the Mission Bay Development and Central Basin, and the Ramp Restaurant and associated facilities to the north, Southern Energy's proposed Potrero Power Plant to the south, San Francisco Drydock, Inc.'s (SFDI) ship repair facilities to the east, and Illinois Street to the west. The Site provides excellent views of the Bay Bridge, East Bay, Treasure Island and the downtown skyline.

Site Conditions and Current Uses

The Opportunity Area includes the former Bethlehem Steel work yard and slip north of 20th Street, nearly 1000 feet of open shoreline, and several historic buildings. The area also contains numerous maritime industrial artifacts such as the historic Gantry cranes, slips, ramps and small accessory buildings and structures from former shipyard operations.

Two historic former Union Iron Works buildings, Nos. 101 and 102, along 20th Street are presently vacant and include approximately 60,000 square-feet of floor area that could be rehabilitated to support a variety of new uses. Two other such historic buildings, No. 104, (largely vacant but includes offices) and No. 113 (machine shop) are under lease to SFDI through 2002, and may become available if present uses can be relocated elsewhere within Pier 70. No. 40 is vacant. In addition, significant new construction could be accommodated between these historic structures and the shoreline to the north, and on the large lot at the southeast corner of 20th and Illinois Streets.

Ship materials and scrap metal are currently stored in the former work yard around Slip No. 4. Just north of the former work yard, B&C Iron and Metals, at 701 Illinois Street (Seawall Lot 349), recycles metals in Building 49 and the adjacent Quonset hut. Several buildings on Seawall Lot 345, at 671-679 Illinois Street just north of the site, are leased to JFC International for various maritime uses and to Saint Francis Marine Center for a small boat marina and repair yard. Granite Excavation & Demolition, Inc., leases a shed and yard at Pier 66 (just south of the Ramp Restaurant) for storage of construction equipment and materials, and related office space and parking. The lot on the southeast corner of 20th and Illinois Streets is being used as a surface parking lot and mini-storage containers pursuant to a lease with Affordable Self Storage, Inc.

Acceptable Uses

The Waterfront Plan identifies a range of acceptable uses for the Opportunity Area that can be incorporated into the overall development program for the site. These uses are listed below.

Pier 70 Mixed Use Opportunity Area		
Maritime Uses	**Commercial Uses**	**Other Uses**
Cargo Shipping	Assembly and Entertainment	Open Space and Public Access
Historic Ships	General Office	Academic Institutions
Maritime Office	Museums	Community Facilities
Maritime Support Services	Accessory Parking	General Industry
Recreational Boating and Water Use	Retail (includes Restaurants)	
Water Taxis	Recreational Enterprises	
	Warehousing/Storage	
	Wholesale Trade/Promotion Center	

Pier 70 Advisory Group

In April 2000, the Pier 70 Advisory Group was formed to provide community input on development goals and objectives in preparation for the issuance of a Request for Proposal/Qualifications for the development of the Pier 70 Opportunity Area. The 25 member Advisory Group, comprised of a broad range of Central and Southern Waterfront, Potrero Hill, Dogpatch and other community representatives, has held many meetings since April of 2000. (Attachment B – Pier 70 Advisory Group Membership Roster).

In addition to the expertise each member brought to the Advisory Group, the members also received numerous informational reports and briefings from staff, Port economic, historic preservation and landscape architecture consultants, as well as representatives from City agencies and private commercial and non-profit development interests. The Advisory Group briefings and discussions covered a wide range of issues related to the development of the Opportunity Area, including but not limited to the following topics:

- Site environmental assessment and remediation;
- Historic Preservation (for individual buildings and a larger Pier 70 historic district);

- Development economic feasibility analysis and conceptual site planning and landscape design;

- Transportation (Third Street Light Rail and Mission Bay Turnaround Loop, on- and off-street parking, on- and off-site vehicular access/circulation);

- Off- and on-site development influences (San Francisco Drydock operations, interim leasing of Port property, Potrero Power Plant expansion, live/work developments and the proposed industries analyzed in the Southern Waterfront SEIR); and

- Land Use Regulation (Public Trust responsibilities, Planning Commission Better Neighborhoods 2002 Land Use Study, Proposition M, BCDC requirements for open space and waterfront access).

Early in the Advisory Group process, consensus was reached that the Goals and Objectives should include a recommendation that at least 10 percent of the total square-footage of development in the Opportunity Area should be reserved for non-profit organizations. Subsequently, the Mayor's Office requested that the Port Commission explore the development of non-profit arts space within the Waterfront Land Use Plan's Pier 70 Mixed Use Opportunity Area. On November 1, 2000, the Port Commission adopted Resolution No. 00-85, directing staff to include at least 150,000 square-feet of non-profit arts space in the Pier 70 Opportunity Area development (Attachment C –Resolution No. 00-85).

The Advisory Group continues to meet on an as needed basis to provide staff with community input on planning issues in the Pier 70 area.

Recommended Project Goals and Objectives

As discussed above, on November 1, 2000 the Port Commission directed staff to include at least 150,000 square feet of non-profit arts space in the development of Pier 70. In response, the Advisory Group decided to indicate whether they felt the goals and objectives were appropriate for the Non-Profit Arts RFP, the for-profit Mixed Use Development RFP, or both. Those goals and objectives identified below with the letter **A** would apply to a Non-Profit Arts RFP, those identified with the letter **B** would apply to both RFPs, and those identified with the letter **C** would apply only to the for-profit Mixed Use Development RFP.

I. PLANNING AND LAND USE OBJECTIVES

General

B • *Meet the Port's development and design guidelines set forth in the Waterfront Land Use Plan and the Waterfront Design and Access Element.*

B • ***Comply with all existing laws to reduce or eliminate untreated storm water runoff into the Bay and to appropriately remediate the toxic and hazardous waste on the Site. Encourage use of reclaimed water to the greatest extent feasible.***

B • Ensure that new development is conceived as part of the larger Central Waterfront area, and thus responds to more general city goals and planning efforts, including the City Planning Department's "Better Neighborhoods 2002 – Central Waterfront Neighborhood" planning process. Link Pier 70 visually and physically with the historic Dogpatch Neighborhood, generally bounded by Mariposa St. to the north, 23rd St. to the south, Illinois St. to the east, and Indiana St. to the west.

B • Ensure that the Opportunity Area is developed in a manner that respects the long-term and future uses of the entire Pier 70 area.

A • Efficiently plan development on site, particularly noting existing and planned public transportation improvements and necessary parking. Port reserves the right to reduce square footage of non-profit arts site if not efficiently utilized.

A • Provide public-oriented uses that will attract visitors to the development and the surrounding waterfront.

C • If economically feasible, cap development of new commercial office space north of 20th Street at a maximum of 650,000 square feet and encourage a development density that balances economic goals, the provision of open space and other public benefits, and respect for the character of the surrounding area. Any proposed development should incorporate design and programmatic elements that would mitigate potential negative impacts of increased congestion that may be associated with it.

B • Collaborate with selected [commercial or non-profit arts] project sponsor to ensure a coherent site plan and design for the entire Pier 70 Opportunity Area.

Historic

C • Permit non-maritime land uses which result in the preservation and adaptive reuse of the Union Iron Works Buildings within the Opportunity Area, consistent with the urban design and historic preservation guidelines called for in the Port's Waterfront Land Use Plan, provided that such uses do not preclude nearby water-dependent activities or associated support services.

C • Preservation and adaptive re-use of the historic Union Iron Works buildings within the Opportunity Area should encourage utilization of the Secretary of Interior's Standards for Rehabilitation, utilization of the federal investment tax credits for historic preservation, and recognition of the larger Pier 70 area as a potential historic district which reflects San Francisco's important industrial and labor history.

B • Consider components to the development that specifically recognize and celebrate the historic importance of the site.

C • Preserve existing significant industrial maritime artifacts, such as the historic cranes, to use as guides for the overall design of the development.

B • Recognize that the property within the Pier 70 Opportunity Area is an integral part of a larger, historic and culturally significant area that reflects San Francisco's waterfront industrial and labor history. Building rehabilitation, site utilization, infrastructure, open space, and recreational development strategies should enhance understanding of the area's significance and preserve historic features.

B • Development within the Opportunity Area should be executed in a manner that respects neighboring uses and acts as a catalyst for the creation of a historic district which recognizes the greater Pier 70 maritime industrial complex.

A • Maintain the full width of the Michigan Street right of way between 20th Street and the southern boundary of the Opportunity Area as either a public roadway or open space to preserve visibility of historic facades on the east side of Michigan Street.

Public Access and Recreation:

C • Include public access improvements extending to the water's edge in the area adjacent to Seawall Lot 345 in any renovation efforts of the Union Iron Works buildings, particularly if such restoration involves additional development on land surrounding the structures.

C • Create new public open space in the form of parks and plazas that relates to the historic significance of the site, and provides opportunities to experience maritime activities in the area. If financially and environmentally feasible, activate new open space with a variety of uses, such as community gardens and/or a children's playground.

C • Provide public access to San Francisco Bay for non-motorized watercraft. If environmentally feasible, provide suitable amenities to facilitate and enhance these activities such as a boathouse and launching beach that would be a focal point for on-the-water recreational activities and a gathering place for the local clubs and organizations providing such activities. Respondents are encouraged to explore access to public or private resources to support such facilities and to consider means of accommodating such facilities without reducing the project's financial viability.

Land Use/Tenant Mix:

B • Encourage accessory retail activities that provide services to the surrounding community and to area workers, and opportunities for people to better acquaint themselves with maritime industries in the area. Encourage independent,

locally owned retailers similar to the existing fish market.

C • Provide space in development for non-profit, arts, training and/or incubator uses; and other such uses that are in need of additional space in the City.

B • Residential uses in the Opportunity Area are not a permitted use in the Waterfront Plan. The project should serve as a buffer between the Port's maritime industrial uses to the east and the emerging residential community to the west.

B • Activate and revitalize the Site, establishing a year-round daytime and evening presence.

B • Ensure compatibility with the ship repair operations and the Port's existing and proposed industrial/commercial uses east of the Site.

C • Encourage tenant mix that includes emerging (but stable) industries that will provide stable employment in the future (e.g., technology and life sciences) and job opportunities for City residents, especially those in "targeted employment areas" (defined by the San Francisco Enterprise Zone regulations as those census tracks where over 50% of the population lives in poverty).

A • Explore various development and ownership arrangements such as undeveloped "incubator spaces," condominium spaces, and long-term leases for subtenants to ensure that a variety of groups are served and to maintain the long-term viability of the project.

A • Provide opportunities for dislocated and at-risk non-profit arts groups.

A • Provide arts education and cultural opportunities for residents, especially those in under-served and surrounding neighborhoods.

A • Provide space in project for a variety of non-profit arts tenants to ensure maximum participation, and to retain and enhance arts uses in San Francisco.

Maritime

B • Revenues from the project should be utilized to support the Port's public trust responsibilities including its industrial maritime operations.

C • Allow for a future public ferry/water taxi terminal in the Central Basin.

C • Ensure that large ships continue to have unimpeded access to the shipyard facilities.

Transportation and Parking:

B • Promote the use of public transit as a primary mode of transportation and maximize the efficient use of new and existing parking facilities by taking advantage of the Site's proximity to the planned 3rd Street light rail service and potential ferry and/or water taxi service.

B • Provide parking for new users, taking advantage of the grade change off Illinois Street to encourage parking uses "below-grade."

B • Design access and traffic flow on site in such a way that heavy vehicle movement is separated from pedestrian and bicycle traffic to the greatest feasible extent.

B • Acknowledge increased competition for use of the Illinois Street right-of-way due to loss of two traffic lanes on Third Street, designation of Illinois Street as the route for the Bay Trail, operation of the Third Street light rail line on Illinois Street between 18th and 19th Streets, and new restrictions on truck turning at Third Street.

B • Create convenient access to additional means of transportation beyond automobiles and light rail; such as bicycle lanes, car pooling, shuttle services and ferry service. Encourage tenants to develop incentive plans that encourage their employees and visitors to use these alternative transportation options.

B • Acknowledge existing and future traffic and parking density issues in and around the project site. Encourage thoughtful project traffic planning that accommodates the needs of new users and visitors with existing uses.

II. DESIGN OBJECTIVES

B • Design new uses on the site to ensure compatibility with adjacent ship repair operations.

B • Preserve the working waterfront's authentic maritime character by respecting the work-a-day qualities of the industrial setting.

B • New construction should be in a good compatible, contemporary idiom inspired by the site's unique historic, maritime setting and unique working waterfront setting – not fake historicism.

C • Re-use and preserve existing historically significant buildings and relics, such as cranes, industrial remnants and warehouses to maintain the authenticity of the site and incorporate them into a master plan design.

B • Where not in conflict with historic buildings or maritime activities, extend the

City street pattern and acknowledge the terminus of street corridors with views of the Bay, historic buildings or architecture with a waterfront identity.

B • New development should include exterior circulation or pedestrian ways between building massings, and, where feasible, connect inland portions of the site to the Bay.

B • Recognize the established neighborhood scale by limiting building mass to maximum ½ standard block size and building heights to those of existing buildings in the area. Encourage multiple buildings per block and pedestrian access and views from the street to the water.

C • Create public access to the water and the water's edge adjacent to Pier 68 with views of the Pier 70 shipyard and with access from Illinois St., such that it does not interfere with ship repair or related maritime activities.

B • Connect waterfront destinations and open spaces by establishing a walkway along Illinois St. from 22nd St. to the Mission Bay open spaces to the north, and connect Site to other waterfront destinations via water trails, ferries, and/or water taxis.

B • Place new structures primarily at the sidewalk to form an edge to Illinois Street. New setbacks and sidewalks should mirror those of existing historic buildings.

B • The primary commercial uses and pedestrian entrances for buildings located along 20th Street, Michigan Street, and Illinois Street should face those streets.

B • New development should provide articulation of the street façade at a maximum of 50 foot intervals by varying storefronts, breaks in building massing, color or with architectural details such as columns, arches, structures or material changes.

B • Materials, style, detailing of buildings, street furniture and other public improvements should acknowledge the historic and industrial character of the area, and the design should consider elements from the past that tie together elements on the site.

B • Avoid blank ground floor walls by providing views into buildings or active uses wherever feasible.

B • Discourage vehicular access to parking from Illinois Street.

III. FINANCIAL OBJECTIVES

C • Consistent with the Planning and Land Use and Design Objectives, optimize the Port's rental revenue from the Site over the term of the lease consistent with the Port's duty to achieve its public trust objectives to support maritime

industries, provide public-oriented activities and open space improvements on the waterfront, and maintain Port facilities.

C • Guarantee a fair market rent, including a minimum monthly base rent, taking into consideration the public benefits being provided as part of the Project. Provide adjustments in the base rent for cost of living increases and/or other participation in future increased revenues.

A • Consistent with the public benefits being provided and with the Planning and Land Use and Design Objectives, optimize the Port's rental revenue from the Site over the term of the lease. Provide adjustments in the base rent for cost of living increases and/or other participation in future increased revenues.

KEY LEASE TERMS

Port staff proposes to include the following economic terms in the Key Lease Terms that the Port expects to receive from the Project:

1. Subordination – The Port's fee ownership and rental income stream will not be subordinated.

2. Premises — The developer will have exclusive use of the Site, except for public access and open space areas and water areas, and subject to the objectives of this RFP. Use of public access and open space areas will be non-exclusive, subject to public access requirements and the Public Access Objectives of this RFP.

3. Proposed Uses – All proposed uses shall be consistent with and responsive to the Planning and Land Use, Design and Financial Objectives (described above) included in Section IV of the Arts RFP and the Mixed Use RFP, and provisions of the Waterfront Plan, and are subject to approval by the Port.

4. Rent to the Port

   (a) Base Rent – Base Rent, which will be paid in monthly installments, will be negotiated with Port staff based on the proposal submitted by the developer.

   (b) Base Rent Adjustment – Periodic cost of living or other adjustments to the monthly Base Rent will be negotiated with Port staff based on the proposal submitted by the developer.

   (c) Percentage and/or Participation Rent – Percentage and/or Participation Rent will be negotiated with Port staff based on the proposal submitted by the developer.

   (d) Construction Period Rent – Construction Period Rent will be negotiated with Port staff, based upon the proposed submittal by the developer, to be paid to the Port during the construction of the Project.

5. Term – The Port will agree to a lease term appropriate to the proposed rental schedule and structure, and proposed uses, not to exceed 66 years in length.

6. Participation in Sale/Transfer/Refinancing and Historic Preservation Tax Credits – The Port expects some level of participation in the net proceeds that the developer receives from the sale, transfer or refinancing of the leasehold and/or the use or sale of Historic Preservation Tax Credits

7. Improvements – All capital improvements to the Site shall be at the sole cost of the developer.

8. Maintenance/Repairs – During the term of the Lease, the developer shall be responsible for all improvements, maintenance, repairs and operating expenses associated with the Premises, including the non-exclusive public access and open space areas.

The terms of the lease will be negotiated by Port staff based upon the terms proposed by the respondent and will be subject to final approval by the Port Commission and the San Francisco Board of Supervisors.

SELECTION PROCESS

Port staff recommends a selection process consisting of the following steps:

1. Request for Proposals – Submittal of qualifications, development proposal, and financial proposal.

   Non-Profit Arts Respondents would submit proposals for a site on Illinois Street south of 20th Street presumptively identified for arts development.

   Mixed Use Respondents would submit proposals for the Mixed Use Opportunity Area with an option for two scenarios. Scenario 1 would assume the Mixed Use Opportunity Area less the Arts Site. Scenario 2 (optional) would allow the Mixed Use respondents to submit proposals for the entire Mixed Use Opportunity Area, while setting aside within that area an alternative Arts Site. Mixed Use Respondents would also be asked to indicate how their proposals would change depending upon the inclusion or exclusion of the two historic buildings presently under lease to SFDI for maritime purposes.

   The proposals would be required to be accompanied with an earnest money deposit that would be refundable to all Respondents except the two with whom the Port enters into exclusive negotiations. The deposit would be $25,000 for the Non-Profit Arts Respondents and $100,000 for the Mixed Use Respondents.

2. Exclusive Right to Negotiate – Selection of a Non-Profit Arts developer and a Mixed Use developer by the Port Commission, and execution of Exclusive Right to Negotiate Agreements which would constitute interim contracts to be utilized during the initial project approval processes while the development agreements and leases are being negotiated, due diligence investigations and preliminary design work are being done, and environmental

review of the projects is being conducted. The exclusive negotiation period would be for one year, with conditional options to extend. During the first three months of this period Port staff would conduct a site planning process between the two developers to ensure optimum site development, which would include goals of not adding costs or lengthening the schedule of the Non-Profit Arts developer.

3. Approval of Transaction - Upon completion of any required environmental review and finalization of negotiations by Port staff, the Port Commission could approve the respective development agreements, leases and related documents. If the project is not maritime-related, the lease will also be subject to approval by the San Francisco Board of Supervisors.

SELECTION CRITERIA

Respondents must satisfy all of the selection criteria. The most important criteria will be the experience and the financial capacity and capability of the respondents. Other criteria, including, without limitation, how well the proposal meets the Objectives set forth in Section IV of the RFPs and the Key Lease Terms, will be given equal consideration.

SCHEDULE

If authorized, Port staff intends to publish the RFPs in March 2001, allowing a response period of approximately 90 days.

RECOMMENDATION

Port staff recommends that the Port Commission authorize and direct staff to issue RFPs for the lease of the Site and the development of the Pier 70 Non-Profit Arts Project and the Pier 70 Mixed Use Development Project on the Site, each of which incorporates the terms indicated above. Prior to issuing these RFPs, Port staff plans to solicit comments from the staff of the San Francisco Planning Department and the San Francisco Bay Conservation and Development Commission, which may require some refinements in the RFP language.

Prepared by: Alec Bash
Waterfront Planner—Special Projects

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PORT COMMISSION

CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-13

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Pursuant to the site specific process indicated in the Waterfront Land Use Plan for major development projects, in March 2000 the Port established a Pier 70 Advisory Group to provide input on the development goals and objectives for the Pier 70 Mixed Use Opportunity Area ("Opportunity Area") Site prior to issuance of a Request for Proposals ("RFP"), and

WHEREAS, Port staff has received input and guidance from the Pier 70 Advisory Group on the development goals and objectives for the development of the Opportunity Area; and

WHEREAS, The Advisory Group has also recommended that the Opportunity Area include Pier 66 and portions of Seawall Lots 345 and 349, consisting of shoreline land on the east side of Illinois Street from 18th Street to south of Mariposa Street, and that a portion of the site be used to assist non-profit arts uses that are in need of additional space in San Francisco; and

WHEREAS, A Mayor's Office study of non-profit space needs in the City found that nearly one million square feet of non-profit space could be at risk over the next three years, subsequent to which the Mayor's Office requested that the Port explore the development of non-profit arts space within this Opportunity Area; and

WHEREAS, On November 1, 2000 the Port Commission adopted Resolution No 00-85 directing Port staff to issue a Request for Proposals ("RFP") to implement at least 150,000 square feet of non-profit arts space in the development of the Opportunity Area; and

WHEREAS, On February 27, 2001 the Port Commission adopted Resolution No. 01-12 adopting amendments to the Waterfront Plan to modify the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349 and exclude Buildings 36 and 109, and including "Artists/Designers" as an Acceptable "A" Use within the Southern Waterfront Acceptable Land Use Table for the Opportunity Area; and

WHEREAS, The Port Commission now wishes to proceed with the solicitation of proposals for a Non-Profit Arts Development and a Mixed Use Development on the Opportunity Area Site; and

WHEREAS, The Port is committed to diversity in the design and construction opportunities represented by this project; and

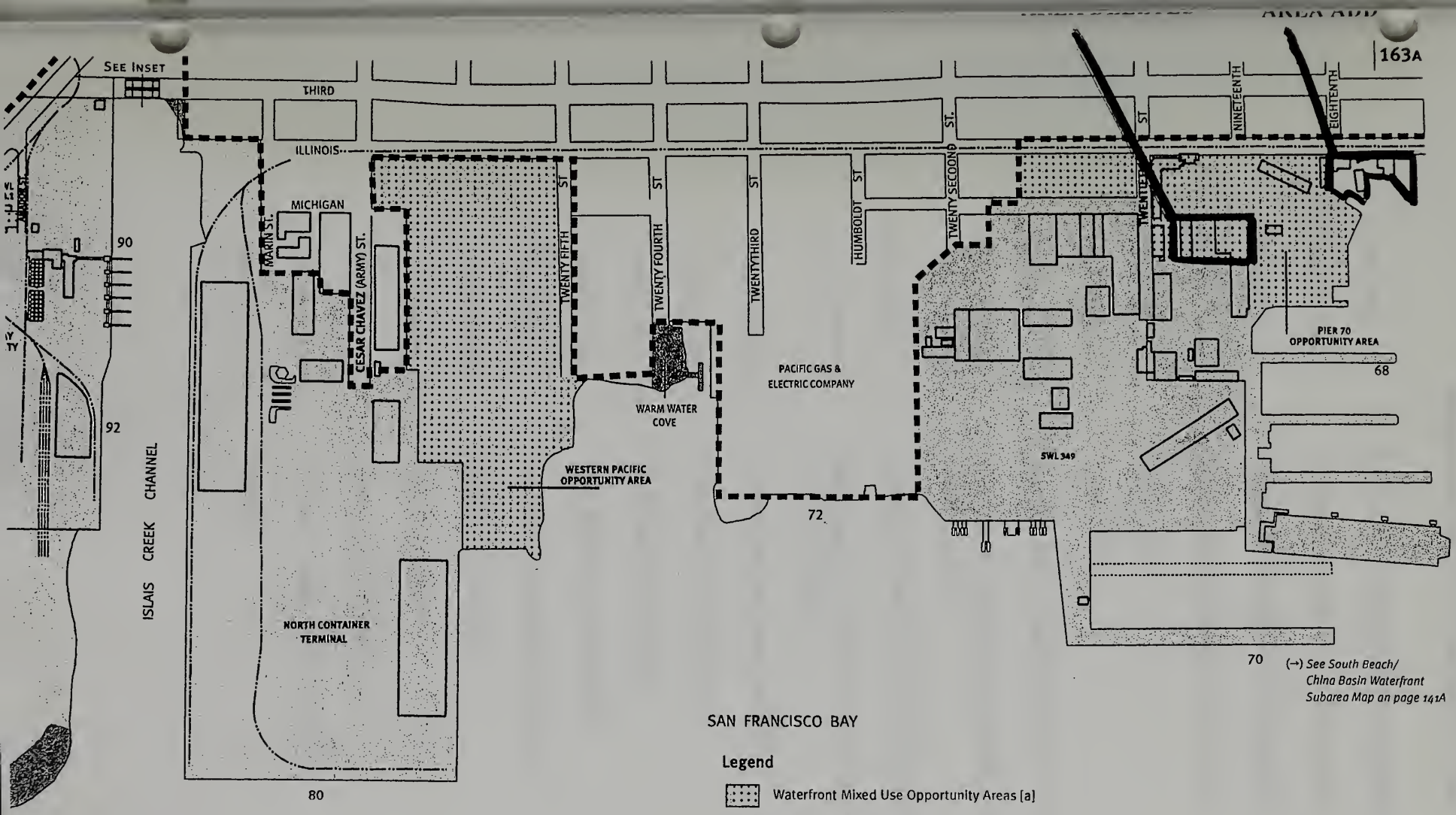
WHEREAS, The issuance of RFPs does not commit the Port to proceed with the project and the Port reserves the discretion as to whether to approve a lease or development agreement for the project until after environmental review has been completed in compliance with the California Environmental Quality Act (CEQA); and

WHEREAS, The Port Commission requires competitive bidding of this opportunity; now therefore, be it

RESOLVED, That the Port Commission hereby authorizes and directs Port staff to issue RFPs for the development and lease of the Site as set forth in the memorandum to the Port Commission for Item No. 6C of the Port Commission's February 27, 2001 meeting, a copy of which is on file with the Port Commission Secretary.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 27, 2001.

_____
Secretary



(→) *See South Beach/ China Basin Waterfront Subarea Map on page 141A*

SAN FRANCISCO BAY

Legend

- Waterfront Mixed Use Opportunity Areas [a]
- Other Maritime Areas
- Other Public Access & Open Space Areas

[a] Waterfront Mixed Use Opportunity Areas include any underlying existing and acceptable maritime, public access and open space and commercial areas. See Acceptable Land Use Tables for more detail.

[b] There are two exceptions to the generally contiguous shoreline property held by the Port between Hyde Street Pier and India Basin. Five parcels (and portions of existing and planned streets) within Port Jurisdiction are located south of India Basin, just north of Candlestick Park; these parcels are identified on the map and Acceptable Land Use Table for the Southern Waterfront subarea. Portions of certain piers at Hunters Point Shipyard not shown on this map are shown on the Burton Act maps as within Port jurisdiction, but are currently under the control of the Navy; these areas are not included in the Draft Waterfront Land Use Plan because the land use policies included in the Re-use Plan for the Shipyard will apply to these sites.

Map Notes

- Freight Rail Line
- Indicates condemned piers
- Waterfront Plan Project Area Boundary
- SWL — Seawall Lot

1 The maps are illustrative only. Please see the Acceptable Land Use Tables in Chapter 4 for a complete listing of acceptable permanent uses for each Port site.

NORTH

0 175 350 700

Members of the Pier 70 Advisory Group

John Borg	Potrero Central Waterfront Committee
Meb Gordon	Dogpatch Neighborhood Association
Susan Eslick	Dogpatch Neighborhood Association
Dennis Herrera	Dogpatch Neighborhood Association
Joe Boss	Potrero Hill
Paul Sherrill	Potrero Hill
Corinne Woods	Mission Bay Community Advisory Committee
Toby Levine	Waterfront Plan Advisory Board, former Planning Commissioner
Julia Viera	Friends of Islais Creek, Waterfront Plan Advisory Board
Carl Hanson	San Francisco Drydock, Inc. (SFD), Waterfront Plan Advisory Board
Greg Markelus	American Can Industrial Center
Jennifer Clary	San Francisco Tomorrow
Charles E. Chase	San Francisco Heritage
Mara Brazer	San Francisco Partnership
John Kalaki	Yerba Buena Center for the Arts
Tom Escher	Red & White Fleet
Stan Smith	Building Trades
Paul Nixon	Bay Area Sea Kayakers
Dwayne Jones	Young Community Developers
Steven Vettel	SPUR

Members of the Pier 70 Advisory Group (cont.)

Shelley Bell	Bayview Opera House
Mohammed Nuru	SLUG
Toye Moses	Southeast Community Facilities Commission
John Moran	Sheet Metal Workers

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-85

WHEREAS, The Port's *Waterfront Land Use Plan* designates a 16-acre portion of Pier 70 (the "Opportunity Area"), between 18th and 21st Streets, where future non-maritime uses will be permitted; and

WHEREAS, The Port's *Waterfront Land Use Plan* further designates allowable uses for the Opportunity Area which include assembly and entertainment, general office, industrial, museums, open space, retail, recreational and community facilities, warehousing, academic institutions; as well as additional maritime uses; and

WHEREAS, The Port established, in March 2000, the Pier 70 Advisory Group to provide input on the development goals and objectives for the Opportunity Area prior to issuance of a Request for Proposal(s); and

WHEREAS, The Pier 70 Advisory Group has convened nine meetings to develop recommendations for the development of the Opportunity Area, and have recommended that a portion of the development site be used to assist non-profit, arts uses that are in need of additional space in San Francisco; and

WHEREAS, The Mayor's Office has commissioned a study of non-profit space needs in the City, which found that nearly 1 million square feet of non-profit space could be at risk over the next three years; and

WHEREAS, The Mayor's Office has developed a strategy to help arts, non-profit groups remain in San Francisco, and as part of this strategy, the Mayor's Office is requesting the Port to explore the development of at least 150,000 square feet of non-profit, arts space at the Pier 70 Opportunity Area; and

WHEREAS, Port staff are in the process of developing the Request for Proposal(s) for Pier 70 Opportunity Area; now therefore be it

RESOLVED, That the Port Commission directs the Port staff to issue a separate RFP to implement at least 150,000 square feet of non-profit, arts space in the development of the Pier 70 Opportunity Area.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 1, 2000.

Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

February 20, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of the Fiscal Year 2001/02 Capital Plan

DIRECTOR'S RECOMMENDATION: Approve Resolution for Adoption and Approval of Fiscal Year 2001/02 Capital Plan

Attached is the Fiscal Year 2001/02 Capital Plan for the review and approval by the Port Commission. The plan provides Port funding in the amount of $32,159,442 for capital projects. The 2001/02 Capital Plan will be funded out of the Port's unappropriated operating fund balance.

	(in millions)
Funds Available:	
• Surplus from 1999/00 Operations	$ 5.6
• Closeout of FEMA Repair Projects	5.6
• Muni MOU	29.7
Total	$40.9
Funding Allocation:	
• 2001/02 Capital Plan	$32.2
• Operating Budget	8.7
Total	$40.9

This Print Covers Calendar Item No. 7A

The following projects are being funded in the 2001/02 capital plan:

Project	2001-02 Capital Plan Funding	Previous CP or Other Funding	Unfunded Amount	Total Project Cost
Southern Waterfront				
Crane Upgrade Project	3,700,000	0	0	3,700,000
Dredged Material Rehandle Site	800,000	65,000	0	865,000
Illinois Street Bridge	6,200,000	3,100,000	2,800,000	12,100,000
Pier 48 Improvements	1,400,000	0	0	1,400,000
Pier 52 Public Boat Ramp	200,000	3,066,000	0	3,266,000
Pier 70 Seismic Repair	150,000	0	0	150,000
Pier 80 Admin AC Replacement	51,850	0	0	51,850
Pier 94 Wetlands Mitigation	300,000	0	0	300,000
South Beach				
China Basin Park Shoreline Stabilization	170,000	651,050	0	821,050
Pier 26 Water Main Upgrade	181,650	0	0	181,650
Pier 28 Water Main Upgrade	283,550	0	0	283,550
Pier 38 Apron Repair	440,000	151,900	360,000	951,900
Ferry Building Area				
Downtown Ferry Terminal - East Promenade	1,200,000	0	0	1,200,000
Ferry Terminal Public Pier	300,000	0	0	300,000
Pier 1 - Furniture, Fixtures & Equip.	922,600	3,086,200	0	4,008,800
Pier 1 Port Story Wall	50,000	123,000	0	173,000
Northeast Waterfront				
Pier 9 Water Main Upgrade	215,000	90,000	0	305,000
Roundhouse HVAC	121,000	0	0	121,000
Fisherman's Wharf				
Fish Prep Bldg. Relocation	400,000	0	0	400,000
Harbor Office	300,000	0	0	300,000
Hyde Street Harbor	100,000	6,040,500	0	6,140,500
Jones to Hyde St. Sidewalk	250,000	0	0	250,000
Pier 43 Arch Seismic Repair	200,000	275,000	0	475,000
Pier 45 Drainage Design	300,000	0	0	300,000
Pier 45 Sprinkler Design	100,000	0	0	100,000
Pier 45C Development	4,117,692	332,308	0	4,450,000
Taylor Street Roadway Improv.	212,000	0	0	212,000
Wharf J-10	763,500	0	0	763,500
Portwide Projects				
Condition Surveys	150,000	200,000	250,000	600,000
Dredge Testing	308,000	0	0	308,000
Maintenance Dredging	2,570,000	0	0	2,570,000
Pier Repair	3,000,000	0	0	3,000,000
Port ADA Transition Plan	500,000	100,000	0	600,000
Pre-Development Studies	667,600	900,400	0	1,568,000
Special Area Plan	1,535,000	0	0	1,535,000
Total Funded Projects	32,159,442	18,181,358	3,410,000	53,750,800

The 2001/02 Capital Plan also includes the following unfunded projects:

Project	Project Cost
Southern Waterfront	
Amador Street Repaving	275,000
Drydock Piledrivers and Barge	350,000
Dumpsite Closure at Pier 94	4,415,000
High Mast Lighting Pier 94-96	600,000
Pier 50 Admin. Bldg. Exterior Paint	110,000
Pier 50 Admin. Bldg. Renovation	167,000
Pier 50 B&C Abatement & Painting	1,520,000
Pier 50 Bulkhead Repair	290,680
Pier 50D Abatement & Repainting	850,000
Pier 80 Admin Renovation	160,000
South Beach	
Pier 24 Removal	1,604,000
Pier 26 Annex Exterior Paint & Repair	93,000
Pier 26 North Apron Repair	125,000
Pier 26 Window & Door Paint	387,000
Pier 28 Bulkhead Exterior Paint	62,000
Pier 38 Substructure Repair	3,350,000
Northeast Waterfront	
Pier 15/17 Roof Replacement	776,000
Pier 35 Gutter and Ridge Cap Rplc.	198,500
Pier 35 Repairs	1,010,000
Roundhouse Exterior Painting	407,080
Substructure Rehabilitation	4,700,000
Fisherman's Wharf	
Fisherman's Wharf Street Lighting Improvements Phase II	440,000
Pier 45 Barge & Accessible Ramp	200,000
Repair of Roadway and Seawall at Embarcadero and Taylor St.	1,908,180
Roadway Pavement and Sidewalk Construction - Jefferson St.	892,990
Portwide Projects	
Energy Efficient Lighting Retrofit	35,000
Portwalk Design	100,000
Total Unfunded Projects	$25,026,430

The following projects have been completed since the approval of the 1999/2000 Capital Plan:

Project	*Project Cost*
China Basin Ferry Terminal	$3,000,000
Bike Lanes, Terry Francois Blvd.	55,000
Fisherman's Wharf Pollution Prevention Proj.	140,000
Pier 26 Roof	280,000
Sewer Main Grotto #9	84,815
ADA Transition Plan, Phase 1	100,000
Pier 35 Gangway Repair	50,000
Herons Head Park Wetlands Restoration	1,976,400
Total Completed Projects	$5,686,215

The following schedules are included in the attached Capital Plan:

- Capital Plan Summary – summarizes the capital project priorities.
- Project Descriptions – provides descriptions of all capital projects.
- Funding Available – identifies funding available for 2001/02 capital projects.
- Project Status Summary – provides a spending status report of previously approved capital and maintenance projects according to the City's FAMIS system.
- Five Year Plan – summarizes the estimated spending plan for capital projects over the next five years.
- Funding Source – identifies the sources of funds allocated to new and on-going projects.
- Grant Summary – lists grants related to capital projects.
- Forms – a compilation of the forms necessary for internal approval and control.

The 2001/02 Capital Plan will be submitted to the Mayor and the Board of Supervisors for approval. Please see the attached 2001/02 Capital Plan for more detail. Based on the Port's available funds an the need for capital projects as identified by staff, Port staff requests that the Commission approve the Fiscal Year 2001/02 Capital Plan as developed and proposed by staff.

Prepared By: Stephanie Downs, Finance Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-10

WHEREAS, The Port has $32,159,442 in the Operating Fund; and

WHEREAS, The next priorities in the Capital Plan are as follows:

Crane Upgrade Project
Dredged Material Rehandle Site
Illinois Street Bridge
Pier 48 Improvements
Pier 52 Public Boat Ramp
Pier 70 Seismic Repair
Pier 80 Admin AC Replacement
Pier 94 Wetlands Mitigation
China Basin Park Shoreline Stabilization
Pier 26 Water Main Upgrade
Pier 28 Water Main Upgrade
Pier 38 Apron Repair
Downtown Ferry Terminal - East Promenade
Ferry Terminal Public Pier
Pier 1 - Furniture, Fixtures & Equip.
Pier 1 Port Story Wall
Pier 9 Water Main Upgrade
Roundhouse HVAC
Fish Prep Bldg. Relocation
Harbor Office
Hyde Street Harbor
Jones to Hyde St. Sidewalk
Pier 43 Arch Seismic Repair
Pier 45 Drainage Design
Pier 45 Sprinkler Design
Pier 45C Development
Taylor Street Roadway Improv.
Wharf J-10
Condition Surveys
Dredge Testing
Maintenance Dredging
Pier Repair
Port ADA Transition Plan
Pre-Development Studies
Special Area Plan

WHEREAS, Port staff has identified these capital projects as priority areas which warrant allocation of funding; now therefore be it

RESOLVED, That the Port Commission authorizes the funding of $32,159,442 to fund these projects which have been designated as having the highest priority; and, be it further

RESOLVED, That the Executive Director is hereby authorized to cancel or postpone any funded project due to unforeseen future events or circumstances which may arise after the approval of the 2001/02 Capital Plan; and, be it further

RESOLVED, That projects included in the 2001/02 Capital Plan that have been approved, but not funded, will be brought before the Port Commission for funding authorization, should funding become available; and be it further

RESOLVED, That the Port Commission approves the 2001/02 Capital Plan as developed by staff and attached to the staff report dated February 20, 2001, accompanying this resolution; and be it further

RESOLVED, That staff is directed submit the 2001/02 Capital Plan to the Mayor and Board of Supervisors for approval.

I hereby certify the foregoing resolution was adopted by the Port Commission at its meeting of February 27, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

February 20, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Revision to the Port's Fiscal Year 2001/02 Operating Budget

DIRECTOR'S RECOMMENDATION: Approve Revisions to Annual Operating Budget for Fiscal Year 2001/02

The Port Commission previously approved the fiscal year 2001/02 Operating Budget at its meeting of January 23, 2001, by Resolution No. 01-06. Based on new circumstances and recently acquired information, staff is now recommending and seeking approval for several changes to the budget.

The most significant change to the budget is the prepayment of the commercial loan with Canadian Imperial Bank of Canada (CIBC). The original loan was secured in July 1998 in the amount of $12 million to acquire property from Caltrans, move the Port's Maintenance Department and relocate tenants in anticipation of the development of Pacific Bell Park. An early payoff of the loan, which will cost $8.7 million for the remaining principal as of July 1, 2001, will save the Port an estimated $2.4 million in interest payments over the next seven years. It will also relieve the operating budget of $1,863,000 in debt service cost in next year's budget.

A copy of the loan amortization schedule is attached. Please note that the interest shown payable from July 1, 1998 through April 1, 2001, represent actual expenses and the interest payable thereafter is estimated.

The source for the $8.7 million to prepay the loan is part of the $29.7 million which the Port expects this fiscal year from the San Francisco Municipal Transportation Agency (Muni) per the MOU for the use of 27 acre site commonly known as the Western Pacific Railroad Yard. The $8.7 million has not been added to the revenue section of the budget since the Port expects to receive it this fiscal year. The funds will be drawn from Unappropriated Fund Balance where it will end up after the books are closed at the end of the fiscal year.

THIS PRINT COVERS CALENDAR ITEM NO. **7B**

In addition, there are several other changes staff recommends as a result of additional information and new circumstances. The net result of these changes is an increase overall expenses of $698,177. Most of these changes are for services provided to the Port by other City departments, several of which have only recently provided cost estimates for next fiscal year. As the budget process continues through the Mayor's Office and the Board of Supervisors, staff expects there will be further increases from other departments, including those for PUC utility costs.

Attached for your reference and information, please find: 1) a list of the individual budget changes by division and budget category, and 2) an explanation of the changes.

The proposed changes will result in a projected surplus in fiscal year 2001/02 of $1,338,759. Due to the new circumstances and recent information described above, and the need to finalize the Port's operating budget for submission to the Mayor's Office, staff requests Commission approval of the proposed revisions to the Port Annual Operating Budget, as described herein.

Prepared by: Benjamin A. Kutnick

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-09

WHEREAS, Port staff previously developed a Fiscal Year 2001/02 Operating Budget; and

WHEREAS, The Port's operating budget was approved by the Port Commission on January 23, 2001 by Resolution No. 01-06 and included projected revenues of $50,516,000, projected expenses of $50,345,064 and a projected surplus of $170,936; and

WHEREAS, Staff is recommending the addition of $8.7 million for expenses to repay the Port's loan from Canadian Imperial Bank of Canada; and

WHEREAS, Staff is also recommending the addition of $698,177 in additional expenses as outlined in the staff report dated February 20, 2001; and

WHEREAS, It is necessary to revise and finalize the Port's Annual Operating Budget for timely submission to the Mayor's Office; now, therefore, be it

RESOLVED, That the Port Commission hereby approves the recommended revisions to the Fiscal Year 2001/02 operating budget as recommended and presented by staff in its report accompanying this resolution; and, be it further

RESOLVED, That the Port Commission hereby authorizes the Executive Director to make non-material changes to the operating budget as may be necessary.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 27, 2001.

_____
Secretary

CIBC LOAN AMORTIZATION

	Amount Outstanding	Principal Payment	Interest Payment	Quarterly Debt Service	Annual Debt Service
07/01/98	12,000,000	0	0		
10/01/98	11,700,000	300,000	197,701	497,701	
01/01/99	11,400,000	300,000	187,460	487,460	
04/01/99	11,100,000	300,000	176,880	476,880	1,462,041
07/01/99	10,800,000	300,000	163,019	463,019	
10/01/99	10,500,000	300,000	169,706	469,706	
01/01/00	10,200,000	300,000	181,452	481,452	
04/01/00	9,900,000	300,000	174,435	474,435	1,888,611
07/01/00	9,600,000	300,000	177,358	477,358	
10/01/00	9,300,000	300,000	185,790	485,790	
01/01/01	9,000,000	300,000	179,550	479,550	
04/01/01	8,700,000	300,000	169,938	469,938	1,912,636
07/01/01	8,400,000	300,000	165,013	465,013	
10/01/01	8,100,000	300,000	157,500	457,500	
01/01/02	7,800,000	300,000	151,875	451,875	
04/01/02	7,500,000	300,000	146,250	446,250	1,820,638
07/01/02	7,200,000	300,000	140,625	440,625	
10/01/02	6,900,000	300,000	144,000	444,000	
01/01/03	6,600,000	300,000	138,000	438,000	
04/01/03	6,300,000	300,000	132,000	432,000	1,754,625
07/01/03	6,000,000	300,000	126,000	426,000	
10/01/03	5,700,000	300,000	120,000	420,000	
01/01/04	5,400,000	300,000	114,000	414,000	
04/01/04	5,100,000	300,000	108,000	408,000	1,668,000
07/01/04	4,800,000	300,000	102,000	402,000	
10/01/04	4,500,000	300,000	96,000	396,000	
01/01/05	4,200,000	300,000	90,000	390,000	
04/01/05	3,900,000	300,000	84,000	384,000	1,572,000
07/01/05	3,600,000	300,000	78,000	378,000	
10/01/05	3,300,000	300,000	72,000	372,000	
01/01/06	3,000,000	300,000	66,000	366,000	
04/01/06	2,700,000	300,000	60,000	360,000	1,476,000
07/01/06	2,400,000	300,000	54,000	354,000	
10/01/06	2,100,000	300,000	48,000	348,000	
01/01/07	1,800,000	300,000	42,000	342,000	
04/01/07	1,500,000	300,000	36,000	336,000	1,380,000
07/01/07	1,200,000	300,000	30,000	330,000	
10/01/07	900,000	300,000	24,000	324,000	
01/01/08	600,000	300,000	18,000	318,000	
04/01/08	300,000	300,000	12,000	312,000	1,284,000
7/1/08	0	300,000	6,000	306,000	306,000
Total		12,000,000	4,524,550	16,524,550	16,524,550

ADJUSTMENTS TO BUDGET APPROVED BY PORT COMMISSION 1/23/01
FISCAL YEAR 2001/02

	Maritime	Real Estate	Planning & Development	Operations	Engineering & Maintenance	Finance & Administration	Executive	Total
REVENUE								
FY 01/02 Revised Revenue								**50,516,000**
EXPENSE								
FY 01/02 Department Submission	**1,895,749**	**7,584,099**	**2,093,818**	**5,815,842**	**16,917,259**	**13,977,856**	**2,060,441**	**50,345,064**
departmental adjustments for 01/02:								
Perm. Salaries			53,851		10,538			64,389
Temporary Salaries								0
Premium Pay			825		161			986
Overtime								0
Fringe Benefits			12,849		(8,481)			4,368
Indirect Cost Reimbursement/COWCAP						225,244		225,244
Travel								0
Training								0
Employee Field Expense								0
Membership Fees								0
Promotional & Entertainment								0
Professional & Specialized Services								0
Maintenance Services - Buildings & Structures								0
Maintenance Services - Equipment								0
Rents & Leases - Equipment								0
Utilities Expense								0
Other Current Expenses								0
Materials & Supplies								0
Taxes, Licenses & Permits								0
Judgement, Claims & Litigation								0
Equipment Purchase								0
Facilities Maintenance								0
Debt Service						(1,863,000)		(1.863,000)
Services of Other Depts. - ADM - Insurance & Risk						250,000		250,000
Services of Other Depts. - City Attorney - Legal								**0**
Services of Other Depts. - Fire Protection					54,875			54,875
Services of Other Depts. - DHR - Workers Comp				(74)				(74)
Services of Other Depts. - PUC - Light, Heat & Power								0
Services of Other Depts. - All Other Departments		3,816	69,681	30,392	5,000			108,889
Interdepartmental Recovery					(13,500)			(13,500)
total of incremental adjustments	**0**	**3,816**	**137,206**	**30,318**	**48,593**	**(1,387,756)**	**0**	**(1,167,823)**
FY01/02 Budget	**1,895,749**	**7,587,915**	**2,231,024**	**5,846,160**	**16,965,852**	**12,590,100**	**2,060,441**	**49,177,241**
NET REVENUE FY 01/02 BUDGET								**1,338,759**

Port of San Francisco
FY 01/02 Budget Revisions

Permanent Salaries	Commission	Adjusted	Inc/(Dec)
	$16,743,801	**$16,808,192**	**$64,389**

Planning & Development
- $53,851 - Increase due to technical adjustments.

Engineering & Maintenance
- $ 10,538 – Upgrade of a 9364 General Superintendent of Harbor Services to a 9375 Asst. Deputy Director.

Premium Pay	Commission	Adjusted	Inc/(Dec)
	$110,211	**$111,197**	**$986**

Planning & Development
- $ 825 – Increase due to technical adjustments.

Engineering & Maintenance
- $ 161 – Increase due to technical adjustments.

Mandatory Fringe Benefits	Commission	Adjusted	Inc/(Dec)
$4,652,046	$4,656,414	$4,368	

Planning & Development
- $12,849 Increase due to technical adjustments.

Engineering & Maintenance
- $ 8,481 – Decrease due to technical adjustments.

COWCAP – Citywide Overhead	Commission	Adjusted	Inc/(Dec)
	$523,797	**$749,041**	**$225,244**

Finance & Administration
- $225,244 - Increase per Controller's calculation.

Debt Service	Commission	Adjusted	Inc/(Dec)
	$8,870,546	**$7,007,546**	**($1,863,000)**

Finance & Administration
- $1,863,000 – Decrease of debt service in anticipation of the Port paying off the Maintenance Facility Loan on July 1, 2001.

Insurance & Risk	Commission	Adjusted	Inc/(Dec)
	$750,000	$1,000,000	$250,000

Finance & Administration

- $250,000 - Increase due to anticipated rate increases.

City Planning	Commission	Adjusted	Inc/(Dec)
	$143,000	$212,681	$69,681

Planning & Development

- $69,681 - Increase due to the transfer of the Historic Preservation workorder from the Capital budget to the Operating Budget.

DPW Geographic Information Svc.	Commission	Adjusted	Inc/(Dec)
	$0	$5,000	$5,000

Engineering & Maintenance

- $5,000 - Increase due to a new workorder with DPW for geographic information services.

Fire Department Service	Commission	Adjusted	Inc/(Dec)
	$1,552,500	$1,607,375	$54,875

Engineering & Maintenance

- $54,875 - Increase due to a projected 3.5% increase in personnel costs.

ISD Services	Commission	Adjusted	Inc/(Dec)
	$222,108	$242,045	$19,937

Operations

- $19,937 - Increase due to changes in the rate allocation model.

Telephone	Commission	Adjusted	Inc/(Dec)
	$206,557	$188,057	($18,500)

Operations

- $18,500 - Decrease as DTIS revised its rate allocation model to more accurately reflect actual cost of services provided.

Worker's Compensation	Commission	Adjusted	Inc/(Dec)
	$325,000	$ 324,926	($74)

Operations

- $74 - Decrease based on actual request from DHR.

Human Rights Commission	Commission	Adjusted	Inc/(Dec)
	$212,639	$217,657	$5,018

Operations
- $5,018 - Increase for additional support costs.

HRC Surety Bond	Commission	Adjusted	Inc/(Dec)
	$50,700	$65,000	$14,300

Operations
- $14,300 - Increase for additional costs.

Mayor's – Youth Works	Commission	Adjusted	Inc/(Dec)
	$4,000	$4,600	$600

Operations
- $600 - Increase in anticipation of Minimum Wage increase.

Purchasing - General Office	Commission	Adjusted	Inc/(Dec)
	$49,313	$57,787	$8,474

Operations
- $8,474 - Increase for staff costs.

Police Dept. - Security	Commission	Adjusted	Inc/(Dec)
	$99,500	$99,020	($480)

Operations
- $480 – Decrease to reflect actual Police Department request.

Revenue Transfer - DPT	Commission	Adjusted	Inc/(Dec)
	$289,238	$293,534	$4,296

Real Estate
- $4,296 - Increase due to technical adjustments.

Interdepartmental Recovery	Commission	Adjusted	Inc/(Dec)
	$0	($13,500)	($13,500)

Engineering & Maintenance
- $13,500 - Decreased to represent the anticipated cost recovery of the Port doing work for other City departments.

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2/27/01

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

DOCUMENTS DEPT.

MAR 16 2001

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MINUTES OF THE REGULAR MEETING
4:00 P.M., FEBRUARY 27, 2001

1. ROLL CALL

At 4:05 p.m., Commission President Kimberly Brandon called the meeting to order. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2. APPROVAL OF MINUTES - February 13, 2001 Regular Meeting

Commissioner McWilliams requested that the approval of the minutes be deferred to the next meeting.

3. EXECUTIVE

A. Executive Director's Report

Mr. Wong welcomed everyone to the Port's new offices and invited everyone to take a tour of the offices.

Mr. Wong reported that Veronica Sanchez, the Port's Governmental Affairs Manager, is leaving the Port after nearly 12 years of dedicated service. She has accepted a position with the newly created Water Transit Authority as Director of Government Affairs and Public Relations, effective March 26. Since 1989, Veronica has represented the Port before Federal, State and local government. She has worked closely with staff of all divisions in pursuing public grants for restoration of fish processing facilities, ship repair, ferry facilities, intermodal freight projects and public access projects. Veronica was one of the original founders of the "Cruising America Coalition," started by California's Ports and travel industry to develop new domestic cruises for U.S. ports.

Commissioner Brandon commented that Veronica will be missed as she has been very instrumental in the procurement of State grants for Port related activities. She thanked her for her years of dedicated work at the Port.

Ms. Veronica Sanchez thanked the Commission for the opportunity to work at the Port and looks forward to continuing to work with the Port. She thanked the Commission and staff for their support throughout the years.

Commissioner Brandon acknowledged former Port Commissioner Frankie Lee.

B. Approval of amendment to the Port Commission Rules of Order to reflect the change of the meeting location for Port Commission meetings. (Resolution No. 01-11)

Amy Quesada, Commission Secretary, presented the item and requested Commission's approval.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. Resolution No. 01-11 was adopted.

4. REAL ESTATE

A. Adoption of findings under the California Environmental Quality Act (CEQA) and approval of Memorandum of Understanding between the Port and the Public Transportation Commission (MUNI) to Lease a 17 acre parcel of the Western Pacific Railroad Yard located adjacent to Pier 80 between Illinois, Cesar Chavez, Maryland, and 25th Streets. (Resolution No. 01-15)

Mr. Mark Lozovoy, Principal Property Manager, presented the item and requested Commission's approval.

Commissioner McWilliams inquired about the impact on rail service to certain customers at the Hunter's Point Shipyard. Mr. Lozovoy replied that this MOU was based on a land transfer agreement. A separate MOU between the Port and Muni will handle all the operational issues between the Third Street Light Rail Project and Port Project. In response to Commissioner McWilliams inquiry whether this process would impact rail access to the Hunter's Point Shipyard or other adjacent properties, Mr. Lozovoy responded no.

Commissioner Hardeman commented that this has been a long process and staff deserves a pat on the back. Staff worked very hard to get to this point and staff deserves to be commended for their patience and perseverance.

Mr. Lozovoy acknowledged Neil Sekhri, Kirsten Magary from Muni and Veronica Sanchez for their work on the project.

Commissioner Lee inquired about the first right of refusal. Under the right of refusal, Muni will pay the Port fair market value. Once they exercise that option, Muni has no right to negotiate the price at all. Within sixty days, they either accept it or not. Mr. Lozovoy replied that all parties shall agree on the fair market value.

Deputy City Attorney Neil Sekhri clarified that the First Right of Refusal is where you market the property and you go back to the person that has the First Right of Refusal and offer the property at the price that you received in the market. Port staff negotiated with Muni the First Right of Offer. The First Right of Offer is where you take it directly to the party that has the right of first offer and offer to sell it to them at a price set by the appraisal. Muni has the ability to agree or not with that price in which case they can get their own appraisal. Mr. Sekrhi reiterated that before the Port would take the property out on the market; the Port would offer it to Muni at the appraised value at fair market price.

Commissioner Brandon commended Mark Lozovoy and Neil Sekhri for working on this project and kept the Commission informed. Commissioner Brandon indicated that

Muni did an EIR as well as the Port. She asked if Muni's EIR is taking into consideration the Port's proposed uses at Piers 92/94/96. Mark Lozovoy replied to the affirmative.

Commissioner Brandon commented about the mitigation measures with regard to the runoff and vehicle equipment washdown facility. Since the Port is responsible for monitoring those activities, she inquired if the Port is in the process of setting up system to monitor those activities. Mr. Lozovoy replied that staff is indeed in the process of setting up the storm water runoff system at Islais Creek.

J.R. Manuel asked if the appraised value is based on the highest, best use or is it based on a finite use because of the value of the property. Mr. Lozovoy replied that there are a number of uses for the property from commercial applications to residential use. The remaining ten acres have not been appraised but it will be appraised based on the highest and best use.

Ernestine Weiss asked if the site would be used as a storage yard for Muni. Mr. Sekhri replied that Muni is planning to have a warehouse on the site for storage of light rail cars.

Commissioner Brandon asked Deputy City Attorney Neil Sekhri to include a language in the contract that when the remaining ten acres will be appraised, it would be done the same way as the 17 acres since Muni has the right of first refusal. Deputy City Attorney Neil Sekhri replied that language is already incorporated into the contract; it would be appraised based on the highest and best use.

Ms. Scharg asked if the 1998 EIR is outdated. Mr. Sekhri replied that an addendum has been done to the EIR, a re-evaluation that is on file with the Commission Secretary.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. Resolution No. 01-15 was adopted.

5. ENGINEERING & MAINTENANCE

A. Informational Briefing on Status of Engineering & Maintenance Projects.

Mr. Alex, Director of Engineering and Maintenance, presented the item. Commissioner Hardeman thanked staff for the report.

Commissioner McCarthy commented it amazes her how well staff is performing considering the complexity of the projects and considering the Engineering Division is under-staff.

Commissioner Lee indicated that since all the funding is not secured, he asked staff's plan to fund the projects. Mr. Alex Lee replied that staff is working very hard with the Finance Division to secure the funds and seek approval for some of the capital projects. Commissioner Lee indicated that he does not want to see any piers

condemned again. Staff should set up a system to prioritize work so that as funds become available, work can commence.. Mr. Alex Lee concurred.

Jennifer Clary, San Francisco Tomorrow, asked if the report is going to be issued on a quarterly basis as it keeps the public abreast of Port activities. Pier 33 is missing from the survey report; she asked if the survey for the pier has been done. Mr. Lee replied that staff will ensure that this informational item will be done quarterly and will check on the status of the Pier 33 survey report. Staff received bids for the Pier 34 project. The lowest bid was $600,000 and the second lowest bid was $1.2 million.

B. Authorization to execute First Amendment to Professional Services Contract No. CT3980009, Downtown Ferry Terminal, with San Francisco Port Management Consultants for additional construction support work and project management assistance. (Resolution No. 01-14)

Ms. Nita Mizushima, Acting Chief Harbor Engineer, presented the item and requested Commission's approval.

Ron Fell asked about the breakwater project and the possibility of having public access. He implored the Port to finish the project and add public access like Pier 7. He encouraged the Commission to have staff review the matter and assess the cost to extend the last 100 feet to the water. Having water access would enhance the neighborhood. He urged the Commission to find money to complete the breakwater project to include public access.

Nita Mizushima replied that staff is currently in the process of bringing the cost down to the most affordable possible and the project would be an even better project than Pier 7. Unfortunately, the Port does not currently have the funds. There are additional funds in the capital plan that are earmarked for the breakwater project as well as other grant funds.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor. Resolution No. 01-14 was adopted.

6. PLANNING & DEVELOPMENT

A. Informational Briefing on Status of Planning & Development Projects.

Mr. Byron Rhett, Director of Planning & Development, presented the item.

Bill Kedem, NEWR, brought copies of letters he sent to Chelsea Piers and the Mills Corporation. He asked the Commission to review the letters that pertain to inadequate planning for the project. In particular, he was concerned about the compliance with the City's Transit First Policy, traffic management, off-site parking, public infrastructure costs and other parameters. So far, they have not received sufficient responses from Chelsea Piers.

Commissioners Brandon & McCarthy thanked the Planning & Development staff for their work.

Grace Ryan, resident of Park Telegraph in the Northeast Waterfront, reiterated Bill Kedem's comments that at this point, the residents have not been provided with answers or documentation on the environmental impact of the proposed project at Pier 27-31. She asked when the information regarding environmental impacts in the neighborhood, in particular transportation, would be provided.

Mr. Kirk Bennett replied that with regard to the environmental review, there were some comments made by the newer members in the neighborhood not appreciating the amount of work that has been done in the environmental review as part of the Waterfront Plan. Staff has offered copies of the EIR Waterfront Plan. Included in the plan was an evaluation about the transportation situation prior to the development of the $400 million City Waterfront Transportation Project to mitigate transportation issues. Within the context of the Waterfront Transportation Project, the EIR looked at how the waterfront plan was to mitigate various levels of growth and identified other areas of mitigation which would be implemented as the projects move forward. Part of the mitigation measure identified in the Waterfront EIR was the addition of the E-Line to complement the F-Line. They have also recommended that this project moves forward with the transportation demand analysis. The RFP required that developers include the transportation demand analysis as part of the project. Further, the Commission authorized staff to retain a consultant team to assist the Port staff in evaluating RFPs. The lead consultant is Bay Area Economics who has on their team a well-respected transportation consultant who will be evaluating the information provided by the developers. They will be evaluating the parking and transportation impacts of the respective projects and their ability to mitigate. He noted that both the Northeast Waterfront Advisory Group and the Fisherman's Wharf Advisory Group have expressed interest in this issue. The consultant will prepare a separate report evaluating the transportation issues.

Commissioner McWilliams asked if it's common practice for any group to interact directly with developers without the Port's knowledge. He wondered how the inquiries to the developers get incorporated and if they report back to the Port about their inquiries and conversations with the developers.

Mr. Bennett replied that he has received many emails from Mr. Kedem. It would be up to the developer to provide the information. As part of the RFP process, staff is asking the developers a number of questions including transportation. The information provided will be evaluated and will be brought to the Commission for their review. The Northeast Waterfront Advisory Group and the Fisherman's Wharf Advisory Group have expressed their concerns about the transportation issue. The advisory groups consist of a broad range of stakeholders from many different communities. Staff included a representative, Mr. John Blum, who has been very active for many years in the northeast waterfront, homeowners association and public forums. In putting together the RFP, Mr. John Blum was very clear that transportation is a very important issue which was incorporated into the RFP and it's currently being evaluated.

Commissioner McWilliams asked if the Port is out of the loop on some of the issues that happens outside the forum that the Port sets up.

Mr. Bennett replied that the Northeast Waterfront Advisory Group meets monthly and staff consults with them regarding the feedback on the RFP. The public's input is noted by staff and the consultant and their comments are brought to the Commission's attention.

Commissioner McCarthy indicated that community groups often interact with developers and get mitigation for development coming into the Bay Area. This is a process that is not under Commission's control.

Mr. Kedem indicated that on February 5th, Mr. Bennett was invited to a meeting at 101 Lombard. Comments were made to Mr. Bennett at that meeting that the local residents were not satisfied with the person designated as their representative. Mr. Bennett replied that he attended the meeting at the invitation of Mr. Blum and one of the officers of the homeowners association. Supervisor Peskin was also in attendance. The purpose of that meeting was to provide background on the RFP and a chance for a dialog and an invitation for the members of the community to participate in the northeast waterfront group.

Port's General Counsel Noreen Ambrose indicated that it is important to understand that while transportation and environmental issues are associated with this project that until the Port Commission selects a winner of the RFP, there is no project that is being proposed on Port property. Once a developer is selected, the EIR process will commence. An application for environmental analysis to the City's Environmental Review Officer will be submitted. Scoping meetings will transpire. There would be project definitions, alternatives that would mitigate significant impacts on transportation as well as air quality, water quality, etc. The Commission does not make a final decision to go forward with the project until that environmental document is complete, the findings are presented to the Commission and the Commission makes decision about mitigation measures. Mr. Bennett explained that they are trying to start that information gathering process as early as possible. There will be specific project related environmental review that the Commission will identify for exclusive negotiations.

Ernestine Weiss commented that the community is interested in traffic circulation on the Embarcadero because of all the upcoming projects.

Linda Scharg, Lombard resident, indicated that they have had many meetings with different developers. They are concern about insufficient control of traffic. With more developers on the waterfront, there will be additional traffic and it would be harder to negotiate once the contract is signed. She suggested that the developers work with other public agencies such as the public transportation and police department.

B. Amendment of the Waterfront Land Use Plan ("Waterfront Plan") to (1) realign the northern boundary of the Southern Waterfront Subarea so as to place Pier 66, and portions of Seawall Lots 345 and 349 (east side of Illinois Street from 18th Street to south of Mariposa Streets) within the Southern Waterfront Subarea rather than the

South Beach/China Basin Waterfront Subarea, (2) modify the Pier 70 Mixed Use Opportunity Area to extend northerly up to and including Pier 66 and portions of Seawall Lots 345 and 349, and to exclude Union Iron Works Bldgs. 36 and 109; (3) include "Artists/Designers" as an Acceptable "A" use within the Southern Waterfront Acceptable Land Use Table for the Pier 70 Mixed Use Opportunity Area; and amendment of the Waterfront Plan's Design & Access Element to relocate Pier 66 and portions of Seawall Lots 345 and 349 from the Mission Bay Subarea to the Pier 70 Subarea. (Resolution No. 01-12)

Mr. Alec Bash, Waterfront Planner, presented the item and requested Commission's approval.

Alec Bash amended the second Resolved clause in the resolution to read as follows... RESOLVED, That the Port Commission hereby adopts the amendments to the Waterfront Plan, subject, however, to review for consistency with the San Francisco General Plan to (1) realign the boundary line...

Commissioner McCarthy asked if the Iron Works Building would remain maritime. Mr. Alec Bash replied to the affirmative.

ACTION: Commissioner McCarthy moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor.

C. Authorization to Issue a Request for Proposals for a Non-Profit Arts Project and a Mixed Use Development Project, both within the Pier 70 Mixed Use Opportunity Area (Resolution No. 01-13)

Alec Bash, Waterfront Planner, presented the item and requested Commission's approval.

Alec Bash, acknowledged the Advisory Committee led by Toby Levine and John Borg. Staff plans to issue the RFP in March, proposals are due in June and if everything goes as planned, a developer will be selected in August.. Mr. Bash asked thanked Anne Cook, Rich Hillis, Mark Lozovoy, Mark Paez, Gerry Roybal, Diane Oshima, Noreen Ambrose and the consultant team for their efforts on this project.

Toby Levine, on behalf of the advisory group, was pleased that this RFP was brought to the Commission in a timely manner; both the Commission and staff are to be commended. They are satisfied with the goals and objectives and they will serve the Port and the Commission well. She mentioned that throughout the deliberations, they are aware of the fact that this is an industrial area and there is going to be a mixed-use area but they want to see the maritime protected and preserved, in particular, the San Francisco Drydock. The block that was taken out was appropriate and the other block that was put back in also was deemed appropriate although it was not presented to the committee for their discussion. The arts component will add an enormous amount of vitality and interest to the area. They are pleased with the way things moved along thus far. They are pleased with the support they have received from Port staff. She asked when the RFP will be issued.

Mr. Bash replied that the RFP would be issued in mid-March.

Randall Kline, Executive Director of SF Jazz, indicated that this is something that interests them greatly and it is in the best interest of the City as well. He urged the Commission to move forward.

Chuck Collins, trustee of the SF Arts Institute, indicated that he is vitally interested in arts and in the preservation of arts in this community. As a real estate developer, he is active in the Yerba Buena area as well as a trustee of the SFMOMA. Looking at what vision the Redevelopment Agency has in giving that land to be SFMOMA over ten years ago and what it did in terms of public and private development is exactly what the Commission has today. He asked the Commission to look at the points of view of the preservation of an important property in the City which would contribute to the economy of this City and the Pier 70 development. The Art Institute has taken a lead in helping a consortium of organizations to get this item before the public. It is not an Art Institute project; it is a consortium project of small, medium and large organizations, the type of mix that is important in making a successful project.

Ella King Torrey echoed the appreciation and enthusiasm for this motion. Artists and arts organizations begin and exist on faith and hope. The opportunities that the Commission made possible confirms their faith in the City and its public agency. It gives them great hope for the future of the creative community in San Francisco. She thanked the Commission for their patience, support & understanding of the priorities and the timeliness and the need of this project. She thanked staff who worked very hard on this project especially Doug Wong, Byron Rhett, Alec Bash, Anne Cook, Mark Paez and others for their diligence, creativity and ability to respond to this project given the many demands of their time. She recognized how hard and how stretched staff were. She thanked them for their work. She also thanked the advisory group for their hard work and for listening. They were instrumental in putting the RFP together. They look forward to working with the Port and the Commission to realize this dream of a major arts complex in Pier 70.

Mary Jane Eisenberg, managing director for Joe Goode Performance Group, part of the art consortium, thanked the Port and the Commission. They look forward to a permanent home on the waterfront.

Joe Boss, member of the Advisory Group, indicated that the 2.6 acres was carved away from the balance of the development. He felt that it would cause some threat to the economic vitality of the entire development. Staff, in the last few weeks, have done an extremely artful job of coming up with a solution. They are to be commended. By reducing the 2.6 acres to something that is certainly usable by the arts group, leaving a little more for the commercial development to try to balance the northern site is going to work very well. He appreciated staff's effort. He asked the Commission to talk to staff about talking to Muni about the inappropriate location of the Muni turnaround in Pier 70.

Commissioner Brandon indicated that with all the upcoming Port projects, there is a real concern about transportation in the waterfront. Mr. Kedem's suggestion of having a Muni representative attend the meetings is a good one.

Commissioner Brandon asked about the size of the non profit arts space. Mr. Bash replied that it is approximately 67,000 sq. ft. The overall block is 107,000 sq. ft. Staff is proposing to have the portion of the site that fronts Illinois Street create a 200x200ft. site, which would be 40,000 sq.ft. as part of the mixed use development opportunity area. The remaining 67,000 sq. ft. will be for the nonprofit arts group.

Commissioner Brandon asked for clarification about what the Port is asking for in the RFP. Mr. Bash explained that scenario 1 would assume the Mixed Use Opportunity Area less the Arts Site. Scenario 2 would allow the Mixed Use respondents to submit proposals for the entire Mixed Use Opportunity Area, while setting aside within that area an alternative Arts Site. Mixed Use respondents would also be asked to indicate how their proposals would change depending upon the inclusion or exclusion of the two historic buildings presently under lease to SFDI for maritime purposes. The third option would include adding two historic buildings to the site which would have to be done in a way so as not to impact the SF Drydock operations.

Commissioner Brandon reiterated that Plan A will have the non-profit arts with a development plan for the rest of the site. Plan B will have the total site for the developer and maybe for the arts. She asked how the proposals would be evaluated.

Mr. Bash replied that everyone who respond to the RFP will be asked to look at the option of two historic buildings and to propose an option with or without those two buildings.

Commissioner Brandon indicated that she has a concern about requesting for two separate proposals. She does not want the Commission to have to decide which one is the best. She suggested that the developers and non-profits, prior to submitting the proposals, start the process of working together and ironing things out instead of leaving it to the Commission to make the decision.

Mr. Bash indicated that staff is prepared to do whatever it takes to avoid that. The fact that there are two RFPs concurrently would give people some incentive to talk to each other and work something out. The three-month site planning process conducted by Port staff would be helpful to all parties.

Commissioner Brandon commented that the 90-day period is a good idea. A language should be included in the RFP that at a certain point, they have to come to some kind of agreement so it won't be a long drawn out process. She asked if the lease terms for the nonprofit arts would be different. Mr. Bash responded that the two RFPs would have the same lease terms and conditions. The initial fee for the mixed-use development would be $100,000 with $50,000 for each extension period. The initial fee for non-profits would be $25,000 with $12,500 for each extension period.

Commissioner Brandon indicated that it's been a long process and people are anxious to get the RFP out. She asked that a draft copy of the EIR be provided to the Commission before it is issued to the public. Mr. Bash concurred and looked forward to the Commission's input.

Commissioner McWilliams indicated that the RFP was fashioned as such to facilitate the arts center no matter what happens and he is supportive of the project. He thanked staff for the creative and practical solution to the project. He too would like to see a copy of the RFP before it is published.

J.R. Manuel indicated that all of the areas need to be assessed for environmental problems. There is enormous amount of product that needs to be assessed before anybody submits any proposal. A proper assessment on the environmental conditions of the property need to be done by the Environmental Protection Agency and the Department of Fish & Game.

Mr. Bash replied that Port staff is aware of the environmental issues and staff is working with the consultant to conduct a Phase I environmental assessment for those sites and working with the EPA and the consultant to prepare a Phase 2 environmental assessment for the site. There will be opportunity for the developer to do further due diligence.

Commissioner Brandon thanked Alec Bash, Anne Cook, Neil Sekhri, Mark Paez and everyone who worked on this project.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

7. FINANCE & ADMINISTRATION

A. Approval of the Port's 2001/02 Capital Plan. (Resolution No. 01-10)

Mr. Ben Kutnick, Director of Finance & Administration, presented the item and requested Commission's approval.

Jennifer Clary indicated that in the condition survey for the piers $200,000 of the $250,000 is unfunded. She wondered if the Port is anticipating a grant for that unfunded portion. If not, does the Port have a provision to fund it. She also noticed that one of the unfunded items is for an energy efficient lighting retrofit. She suggested that this should be moved over to the funded section.

Mr. Kutnick replied that the nice thing about a six-year capital plan is that we have more than one year to fund it.

Bill Kedem asked that the comment regarding the Giants ballpark be repeated. Mr. Kutnick replied that item is actually included under the Operating Budget. He indicated that original loan with Canadian Imperial Bank of Canada (CIBC) was secured in July 1998 in the amount of $12 million to acquire property from Caltrans, move the Port's Maintenance Department and relocate tenants in anticipation of the development of Pacific Bell Park. An early payoff of the loan, which will cost $8.7 million for the remaining principal as of July 1, 2001, will save the Port an estimated $2.4 million in interest payments over the next seven years.

Bill Kedem asked if the Port is leasing the Roundhouse building as one entity to a certain developer because he noticed that the HVAC and exterior painting was listed as a Port expenditure.

Mr. Kutnick replied that the Port leases the Roundhouse to individual tenants. There is no master tenant; therefore, the building is the Port's responsibility.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

B. Approval of Revision to the Port's 2001/02 Operating Budget. (Resolution No. 01-09)

Mr. Ben Kutnick, Director of Finance & Administration, presented the item and requested Commission's approval. He indicated that the Port Commission previously approved the fiscal year 2001/02 Operating Budget at its meeting of January 23, 2001, by Resolution No. 01-06. Based on new circumstances and recently acquired information, staff is now recommending and seeking approval for several changes to the budget.

The most significant change to the budget is the prepayment of the commercial loan with Canadian Imperial Bank of Canada (CIBC). The original loan was secured in July 1998 in the amount of $12 million to acquire property from Caltrans, move the Port's Maintenance Department and relocate tenants in anticipation of the development of Pacific Bell Park. An early payoff of the loan, which will cost $8.7 million for the remaining principal as of July 1, 2001, will save the Port an estimated $2.4 million in interest payments over the next seven years. It will also relieve the operating budget of $1,863,000 in debt service cost in next year's budget.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

8. NEW BUSINESS / PUBLIC COMMENT

Cary Jones, CA Youth Soccer Association, indicated that only a small percentage of them play in San Francisco because of the lack of facilities. He asked the Commission to support the Chelsea Pier proposal because it offers the greatest opportunity for increased facilities of athletics in the City. The City needs structured athletic activities versus four walls or shops where kids can hang out. The Chelsea Piers proposals offer the best advantage for the youths in the City.

Flicka McGurrin, Pier 23, addressed the Pier 27-31 project. Mills Corporation's proposal to tear down Pier 27 is a problem. The edge of the waterfront is beautiful but tricky. The building protects road rage and protects pedestrians. Mills Corporation's proposal also includes restaurants. The Pier 39 and Pier 33 areas are struggling to make their businesses work. Chelsea Piers proposal is more San Francisco friendly in taking care of the youths of San Francisco. Their proposal to use the entire space including the Pier 27 building for sports facilities is sorely needed in San Francisco. Chelsea Piers have a very vital concept; it works in New York and they offer that kind of project in San Francisco. Chelsea Piers offers access to the water while Mills Corporation ignores it because of their retail and

restaurant concept. Since traffic is everybody's issue, adding another YMCA in the neighborhood that already has a Bay Club facility would double the traffic. If the Bay Club moves to the Chelsea Piers area, traffic will be consolidated.

Bill Manning, USF Sports & Fitness Department, indicated that their graduates work in many of the agencies that provide sports and recreation services in the City. They are all aware of the inadequate active places in the City for youths and adults. On behalf of those young people and the graduates, they support the Chelsea Piers proposal. They are impressed with the amount of space in the project for active play and recreation. He encouraged the Commission to approve Chelsea Piers proposal.

Ernestine Weiss congratulated the Port for its beautiful offices but asked for a better circulation in the conference room. The Port is becoming a thing of beauty and happy to be a part of it. She hopes that we won't have any traffic problems that will make this city unlivable. She endorsed the Chelsea Piers proposal and encouraged the Commission to approve it.

Brian Lugo, YMCA Youth Coordinator, indicated that he has seen many low income families joining their facilities; people who couldn't afford other health clubs. Financial assistance programs make it possible for their inner City youths to join their center. He is proud to be a part of an organization that wouldn't turn anyone away no matter what their financial situation is. Their youth members pay a small fee of $12.50 year to keep their youths off the street and provide a safe environment for the kids. He hopes that the Commission would select the facility affordable to all.

Shabon Sweeney, youth member at the Central YMCA, indicated that she's learned many different things since joining the YMCA. After being at three different youth facilities, she believed that the Y supports very fortunate kids. The Y has an important thing – people who care for them. They have a girl group that teaches them different things like DJ club. They have many field trips that would take them to six Flags, Great America, etc. She believes that the programs show kids team work and how to help support others.

Bill Kedem, spoke to both the Chelsea Piers and the Mills Corporation proposals. He provided the Commission a copy of documents extracted from the Chelsea Piers Website which suggest that they are having significant traffic congestion issues at their current location in New York. They don't want this to occur in their neighborhood nor along the Embarcadero. For the last couple of weeks, Chelsea Piers said they would not sit in the same room with the Mills Corporation to look at hard data that the local residents have requested regarding parking and traffic issues. Today Mr. Tewksbury decided he could meet in the same room with the Mills Corporation. Local residents have seen several of their marketing presentations. There are considerable inconsistencies in the two proposals.

Bill Kedem indicated that Mr. Bennett did not deny that on February 5 at a meeting at 101 Lombard, there were comments made that the representation on the neighborhood was insufficient. A number of people in the neighborhood were not satisfied with the representation of the NEWAG. He received a note from Mr. Bennett stating that there is no way that another neighborhood representative could be included in the NEWAG. The EIR process that Mr. Bennett spoke to is also too late. Today he received a traffic study from the Mills Corporation but have not received that type of information from Chelsea Piers.

Dawn Riley, America True, indicated that she was familiar with Chelsea Piers because they have worked with them in the past. After doing research, it became apparent to her that while facilities of Chelsea Piers are wonderful and exciting; it is not financially viable. She personally wouldn't be able to use that facility. The YMCA makes the sporting events and activities accessible to a lot of different people.

Maria Drake, YMCA, indicated that the Embarcadero YMCA is much more than it is. The pier project is for the City. YMCA offers summer camp and financial assistance. YMCA is an affordable fitness center. She urged the Commission to vote for the YMCA/Mills proposal.

Torri Texeira, Executive Director at Stonestown YMCA, spoke on behalf of YMCA and its efforts to provide recreational opportunities at Piers 27-31. She has been a YMCA staff member for about 20 years. Everyday, she gets the opportunity to see the lives changed at the YMCA. It showed her how important it is to give back to the community. As an executive director, she sees seniors, kids, and adults and families come to their doors and experience life changing opportunities. They have an incredible program called Youth & Government where it teaches leadership skills to teens in San Francisco. She stressed that the Pier 27-31 project has a far reaching impact not only for the South of Market people but sees it as an overflow space out of Stonestown. The citizens of San Francisco will be excited and proud of this project. She emphasized that this project would be worthwhile..

Mike Casey, Local 2, gave the Commission a status report of Castagnola's Restaurant. He reported that certain employees of Castagnola's have been retaliated against for coming to this meeting. The owner's representative on real estate matters has gone into the restaurant on Sunday and individually tried to negotiate with employees by way of a severance package, completely circumventing the union. The company has intimidated the workers with a threat of closure. They have indicated that they will close the restaurant as of Thursday. They issued an ultimatum to workers that if they did not accept a severance package that was conditioned upon the union relinquishing their claim to the jobs as well as the commitment that is contingent upon taking the severance package, they would have to commit not to demonstrate or picket or in any way go to the new owners. If the workers would agree to those things, they would receive severance package. In addition, they have threatened lawsuits against the union and against the City of San Francisco all because the union are attempting to stand up for 35 workers and their families. The workers are standing up as well. In Local 2, they have a motto that if they push them, they will push back. One hundred fifty community and labor people and workers from Castagnola's stood shoulder to shoulder and picketed at Castagnola's. Twenty-two people were arrested in action of civil disobedience. The company has threatened to close on Thursday. He referred to Section 6 of the Port's lease, which states... Requirements of the Premises Use. Tenant shall operate to secure maximum economic return based on the use as specified. If the tenant fails to use the property for the purposes for which the property is leased in a manner set forth and such failure to continue for a period of 30 days after written notice from the Port requesting the tenant use the property and unless such failure shall be for reasons beyond the control of the tenant, the Port, as its option, may terminate this lease. He urged the Commission to exercise that option in the lease. He encouraged the Commission to stand up with them against the unlawful behavior of the company. Unfair labor practices have been filed against this employer and it is unconscionable that an employer who is on public land seeks profiteer off that public land at the expense of

workers livelihoods. He urged the Commission to stand with them and make it clear that if Mr. Lolli wants to continue this threatening and unlawful behavior and if he follows through with the closure of the restaurant, that the Commission in accordance with the City's interest, terminate that lease so that a new operator can come in and employ the workers and provide livelihoods and union conditions that these workers enjoyed for years.

Walter Johnson, S.F. Labor Council, spoke about the Castagnola's Restaurant and urged the Commission not to open the door to a non-union operator. Organized labor has eaten in that restaurant for many years. They will not surrender. They will make sure that whoever takes over the restaurant will operate in a union manner. He urged the Commission to fulfill its responsibility to the City & County of San Francisco and its citizens by saying we join you in the fight.

9. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 6:35 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative. ****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Anne Cook, Manager, Waterfront Development Projects
*San Francisco Cruise Terminal LLC: Glen Elkington

b. Property: Piers 27-31
Person Negotiating: Port: Kirk Bennett, Manager, Waterfront Development Projects
*Chelsea Piers Management, Inc.: Roland W. Betts
*The Mills Corporation: Edward B. Vinson

c. Property: Castagnola Restaurant @ Jefferson Street
Person Negotiating: Port of San Francisco: Theresa Picon, Director, Real Estate
*Castagnola Restaurant: General Lolli

10. RECONVENE IN OPEN SESSION

At 7:30 p.m., the Commission reconvened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 7:30 p.m.